ANNUAL REPORT

OF THE

INDIAN MERCHANTS' CHAMBER

FOR THE YEAR

1923.

(Presented to the Annual General Meeting of the Chamber held on 26th January 1924).

Printed by

JADAVAJI PITAMBER THAKKER, at the Lady Northcote Hindu Orphanage, K. N. Sailor Press, No. 93, Chinchpokli, Parel Road, Bombay.

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Published by

J. K. MEHTA, Secretary, Indian Merchants' Chamber, Shalo Building, 20, Bank Street, Fort, Bombay.

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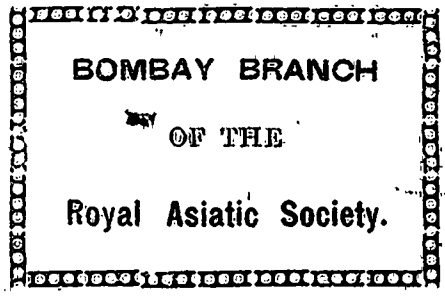

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Indian Merchants' Chamber.
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20, Bank Street,
BOMBAY.

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Serial No.	Representatives of Members.	Names of Members.	Addresses.
1	Hon. Sir Dinshaw Edulji Wacha	Messrs. Morarjee Goculdas & Co.	Sudama House, Ballard Estate, Fort, Bombay
2	Mr. Chunilal Devkaran Nanji	„ Chhagandas & Co.	Circle, Fort, Bombay.
3	„ Pragji Surji	„ Pragji Surji & Co.	Vadgadi, Mandvi Bombay
4	„ Mulji Haridas	Mr. Mulji Haridas	Carnac Bunder, Bombay
5	„ Manmohandas Ramji	„ Manmohandas Ramji	20, Bank St. Fort, Bombay
6	„ Laxmidas Purshottam Vandravan	Messrs. Pragji Vandravan & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
7	„ Haridas Morarji Velji	„ Morarji Velji & Co.	„ „ „ Nava Govind Chawk, Bombay
8	„ Jamnadas Devidas	„ Jethabhai Govindji & Co.	„ „ „ Sir Vithaldas Galli, Bombay
9	„ Jethabhai Kalianji	„ Valji Shamji & Co.	„ „ „ Chawk, Bombay
10	„ Vallabhdas Chaturbhuj Shivji	„ Chaturbhuj Shivji & Co.	„ „ „ Chikhal Galli, Bombay
11	„ Mathuradas Valji	„ Valji Sunderji & Co.	„ „ „ Ghadial Galli, Bombay
12	„ Bhukhandas Govindji	„ Bhukhandas Govindji & Co.	„ „ „ Dadar Galli, Bombay
13	„ Dwarkadas Ravji Naranji	„ Ravjibhai Naranji & Co.	„ „ „ Navi Krishnaraj Galli, Bombay
14	„ Vasanji Naranji	„ Vasanji Naranji & Co.	„ „ „ Pragraj Galli, Bombay
15	„ Mathuradas Haridas	„ Damodar Haridas & Co.	„ „ „ Chikhal Galli, Bombay
16	„ Devidas Madhowji Thackersey	„ Madhowij Thackersey & Co.	77, Apollo Street, Fort, Bombay

17	Mr. Madhowji Jesang	Messrs. Ramdas Madhowji & Co.	Mulji Jetha Market, Nava Narayan Chawk, Bombay
18	„ Mathuradas Manji	„ Bhimji Kara & Co.	„ „ „ Narayan Chawk, Bombay
19	„ Vithaldas Damodar Govindji	„ Damodar Govindji & Co.	„ „ „ Chawk, Bombay
20	„ Balvant Ramchandra	„ Bhalchandra Balvant & Co.	„ „ „ Narayan Chawk, Bombay
21	„ Morarji Hemraj Kanji	„ Hemraj Kanji & Co.	„ „ „ Nava Govind Chawk, Bombay
22	„ Manilal Lallubhai	„ Hiralal Amratlal & Co.	„ „ „ New Gomukh Galli Bombay
23	„ Purshottam Mulji	„ Padamsi Manji & Co.	79, Meadows St, Fort, Bombay
24	„ Naranji Dayal	„ Premchand Chhaganlal & Co.	Morarji Gokuldas Market, Sami Galli Bombay
25	„ Goculdas Jivraj	„ Ghela Dayal & Co.	MuljiJethaMarket,GhadialGalliBombay
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27	„ Harjivan Valji	„ Harjivan Valji & Co.	17, Champa Galli, Bombay
28	„ Kanji Goculdas	„ Chaturbhuj Jivandas & Co.	M. J. Market Navi Gomukh Galli, Bombay
29	„ Vallabhdas Jamnadas	„ Vallabhdas Jamnadas &Co.	„ „ „ Ghadial Galli, Bombay
30	„ Chhabildas Laxmidas	„ Bhimji Ravji & Sons.	„ „ „ Pragraj Galli, Bombay
31	„ Mathuradas Liladhar	„ Jeram Hari	„ „ „ Chawk, Bombay
32	„ Vassanji Mulji Damodar	„ Mulji Damodar & Co,	Morarji Goculdas Market, Kalbadevi Rd. Bombay.
33	„ Harjivan Valji	„ Kanji Karsan & Co.	Mulji Jetha Market, Nava Govind Chawk, Bombay
34	„ Vrajlal Bhagwandas	„ Bhagwandas Bhawanbhai & Co	„ „ „ Narayan Chawk, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
35	Mr. Shah Tallakchand Gobardas	Messrs. Ramji Thackersey & Co.	Mulji Jetha Market, Dadar Galli, Bombay
36	,, Purshottam Lalji	,, Lalji Tricumji & Co.	,, ,, ,, Ghadial Galli, Bombay
37	,, Karsandas Premji	,, Karsandas Purshottam & Co.	,, ,, ,, Navi Galli, Bombay
38	,, Lalji Naranji	,, Lalji Naranji & Co.	Tamarind Lane, Fort, Bombay
39	,, Vallabhdas Valji	,, Valji Khimji & Co.	Mulji Jetha Market, Navi Galli, Bambay
40	,, Valji Govindji	,, Morarj Kalianji & Co.	,, ,, ,, Chawk, Bombay
41	,, Ranchhoddas Vallabhdas Kanji.	,, Vallabhdas Kanji & Co.	,, ,, ,, Ghadial Galli, Bombay
42	,, Karsandas Kurji Dharamsey	,, Kurji Dharamsey & Co.	,, ,, ,, Chikhal Galli, Bombay
43	,, Naranji Narsey	,, Gordhandas Naranji & Co.	,, ,, ,, Ghadial Galli, Bombay
44	,, Vandravandas Valji	,, Vishram Dhanji & Co.	,, ,, ,, Krishnaraj Galli, Bombay
45	,, Kalyanji Bhimji	,, Bhimji Dwarkadas & Co.	Laxmidas Market, Shaikh memon st. Bombay
46	,, Devkaran Mulji	,, Devkaran Mulji & Co.	Mulji Jetha Market, Gomukh Galli, Bombay
47	,, Hirji Rustomji	,, Damodar Valji & Co.	,, ,, ,, Dadar Galli, Bombay
48	,, Motilal Kanji	,, Kanji Dharamsey & Co.	,, ,, ,, Navi Krishnaraj Galli, Bombay
49	,, Dwarkadas Vassanji	,, Purshottam Laxmidas & Co.	,, ,, ,, Nava Govind Chawk, Bombay
50	,, Damodar Bhagwandas	,, Purshottam Dwarkadas & Co.	,, ,, ,, Navi Galli, Bombay
51	,, Goverdhandas Karsandas Shroff	Mr. Goverdhandas Karsandas Shroff	,, ,, ,, Chawk, Bombay
52	,, Karsandas Meghji	Messrs. Gopalji Kalyanji & Co.	,, ,, ,, Chikhal Galli, Bombay

53	Mr. Vaman Shridhar Apte		Messrs. Vaman Shridhar & Co.	Mulji Jetha Market, Govind Chawk, Bombay.
54	Hon. Mr. Phiroz C. Sethna		Hon. Mr. Phiroz C. Sethna	Canada Building, Hornby Road, Fort, Bombay
55	Mr. Madhowji Damodar Thackersey.		Messrs. Thackersey Moolji & Co.	2, Rampart Row, Fort, Bombay
56	,, Chaturbhuj Gordhandas	,,	Mulji Jetha & Co.	Tamarind Lane, Fort Bombay
57	,, Motilal Vallabhji	,,	Motilal Keshavaji & Co.	37-39 Ghoga St. Fort, Bombay
58	,, Gordhandas Govindji	,,	Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
59	,, Cursetji Jamsetji Banàtvala	,,	Edulji Cursetji & Co.	Laxmidas Market, Sk. Memon Street, Bombay
60	,, Mathuradas Manji Valji	,,	Manji Valji & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
61	,, Lalji Dayal	,,	Hirji Dayal & Co.	,, ,, ,, Sancha Galli, Bombay
62	,, Haridas Gordhandas	,,	Girdhardas Jethabhai & Co.	,, ,, ,, Chawk, Bombay.
63	,, Keshavji Ramji Laxmidas	,,	Ramji Laxmidas & Co.	,, ,, ,, Chawk, Bombay.
64	,, Ratansi Dungershi	,,	Vallabhdas Laxmidas & Co.	Laxmidas Market, Sk. Memon Street, Bombay
65	,, Chatrabhuj Purshottam	,,	Chatrabhuj Haridas & Co.	Mulji Jetha Market, New Govind Galli, Bombay
66	,, Dwarkadas Tricumdas	,,	Liladhar Dwarkadas & Co.	,, ,, ,, Chawk, Bombay
67	,, Ardeshar Jamsedji Kharas	,,	Jamsedji Framji Kharas & Co.	80, Esplanade Road, Bombay
68	,, Ramdas Zaver Jagjivan	,,	Zaver Jagjivan & Co.	Mulji Jetha Market, Narayan Chawk, Bombay
69	,, Mulji Laxmidas	,,	Gopalji Valji Sunderji & Co.	,, ,, ,, Ghadial Galli, Bombay
70	,, Ramdas Ranchhoddas	,,	Ranchhoddas Thackersey & Co.	,, ,, ,, Nava Govind Chawk, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
71	Mr. Tulsidas Gopaldas	Messrs. Gopalji Valji & Co.	Mulji Jetha Market, Navi Gomukh Galli, Bombay
72	„ Narandas Purshottamdas	„ Cavasji Framji & Co.	Mulji Jetha Market, Pragraj Galli, Bombay
73	„ Jagjivan Gordhandas	„ Gordhandas Thackersey & Co.	„ „ „Nava Govind Chawk, Bombay
74	„ Jamnadas Harakhji	„ Jamnadas Harakhji & Co.	Dady Seth Agiari Lane, Bombay.
75	„ Jethmal Narandas	„ Narottamdas Jethmal & Co.	Mani Bhuvan, new gamdevi, Bombay
76	„ Damodar Tribhovandas	„ Premchand Tribhovan & Co.	Mulji Jatha Market, Chhipi Chawl, Bombay
77	„ Tricumdas Chakubhai	„ Chakubhai Mulji & Co.	26-28 Coal Bhat Lane, Bombay
78	„ Mathuradas Haribhai	„ Mathuradas Chatrabhuj & Co.	M. J. Market, Dharamraj Galli, Bombay
79	„ Mansukhlal Oghadbhai	Mr. Mansukhlal Oghadbhai	„ „ „ Gopalak Galli, Bombay
80	„ Laxmidas Keshavji	Messrs. Haridas Keshavji & Co.	Mulji Jetha Market, Krishnraj Galli, Bombay
81	„ Revashanker Jagjivan	„ Revashanker Jagjivan & Co.	Khara Kuva, Bombay
82	„ Sheriff Devji Kanji (das	„ Devji Kanji & Co.	Chakla Street, Mandvi, Bombay
83	Sir Purshottamdas Thakur	„ Narandas Rajaram & Co.	111, Esplanade Road, Fort, Bombay
84	Mr. Haji Usuf Haji Ismail Sobani	„ Haji Mahamod Haji Ismail & Co.	Hornby Road, Fort, Bombay

85	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Circle, Fort, Bombay
86	„ Kalyandas Bhaidas	Messrs. Bhaidas Narottamdas & Sons.	C. P. Tank, Madhav Bag, Bombay
87	„ Purshottamdas Jivandas	„ Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bombay
88	„ Phirozshaw B. Petit	„ Phirozshaw B. Petit & Co.	Rampart Raw, Fort, Bombay.
89	„ Dhanjibhai B. Petit	„ Dhanjibhai B. Petit & Co.	Circle, Fort, Bombay
90	„ Govindlal Shivlal	„ Raja Bahadur Shivlal Motilal & Co.	20, Apollo Street, Fort, Bombay
91	„ S. R. Bomanji	„ S. R. Bomanji & Co.	Forbes Street, Fort, Bombay
92	„ Visanji Jivandas	„ Khimji Vishram & Co.	Dana Bunder, Broach Street Bombay
93	„ Palanji Dadabhai Chowna	„ Drewet Chowna & Co.	Church Gate Street, Fort, Bombay
94	„ Tricumdas Gordhandas Khatau	„ Khatau Makanji & Co.	Oriental Building, Hornby Rd. Bombay
95	„ N. D. Dadyseth	Mr. N. D. Dadyseth	17, Waudby Road, Bombay
96	„ Kaikobad Cawasji Dinshaw	Messrs. Cawasji Dinshaw Bros.	Meadows Street, Fort, Bombay
97	„ Fidahusein Samsuddin	„ Shaikh Mahmod Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bombay
98	„ Mathuradas Vassanji	Mr. Mathuradas Vassanji	3, Wallance Street, Fort, Bombay
99	„ Govindram Harsomal	Messrs. Tarachand Ghansyamdas & Co.	Zaveri Bazar, Bombay
100	„ Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	303, Hornby Road, Fort, Bombay
101	„ Khimji Shamji	Messrs. The Grain Merchants' Association.	262, Musjid Bunder Road, Bombay
102	„ Krishna Rao Purshottam Kothare	„ K. P. Kothare & Co.	Apollo Street, Fort, Bombay
103	„ Pestonji Edulji Dhala	„ The Indian Mercantile Ins. Co. Ltd.	11, Bank Street, Bombay
104	Hon. Mr. Lallubhai Samaldas	Hon. Mr. Lallubhai Samaldas	65, Apollo Street, Fort, Bombay
105	Mr. Mahomed Hajibhai.	Messrs Hajibhai Lalji & Co.	Akbar Building, Hornby Road, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
106	Sir Fazulbhoy Currimbhoy Ibrahim	Sir Fazulbhoy Currimbhoy Ibrahim	12-14 Outram Road, Fort, Bombay
107	Mr. Vithaldas Karsandas	Messrs. The Bombay Merchants' Bank Ltd.	Apollo Street, Fort, Bombay
108	„ Narandas Chatarbhuj	„ Gordhandas Khetsey & Co.	ManordasSt.,40HoliChakla,Fort,Bombay
109	„ Narottam Morarjee	Mr. Narottam Morarjee	Sudama House, Ballard Estate, Fort, Bombay
110	„ S. B. Billimoria	Messrs. S. B. Billimoria & Co.	113, Esplanade Road, Fort, Bombay
111	„ R. D. Tata	„ Tata Sons Ltd.	Navsari Building, Hornby Road, Fort, Bombay
112	„ Manekji Jethabhai Vurdhman	Mr. Manekji Jethabhai Vurdhman	Tamarind Lane, Fort, Bombay
113	„ Dadabhai J. Registrar	Messrs. The Berar Mfg. Co. Ltd.	BallardRoadLlyodBuilding,Fort,Bombay
114	„ Hirjibhai Shapurji Pathak	„ H. S. Pathak & Co.	15, Parsi Bazar Street, Victoria Building, Fort, Bombay
115	„ Kikabhai Premchand	„ Premchand Raichand & Sons	Apollo Street, Fort, Bombay
116	„ Purshottam Vishram Mavji	Mr. Purshottam Vishram Mavji	Walkeshwar Road, Bombay
117	„ Balchand Khetan of Messrs Hajarilal Sultansingh	Messrs. The Hindustani Native Merchants' Association	Kalbadevi Road, Bombay
118	„ Ratanchand Navalchand Zaveri	„ Manekchand Panachand & Co.	Zaveri Bazar, Shaikh Memon Street, Bombay
119	„ M. Venkatrao	„ N. Powel & Co.	Sandhurst Road, Girgaum, Bombay
120	„ Kedarmal Bhuramal	Messrs. Gulabrai Kedarmal & Co.	Kalbadevi Road, Bombay

121	Mr. Nehalchand Lalluchand	Mr. Nehalchand Lalluchand	Pydhonie, Bombay
	„ Gulabchand Devchand Javeri	„ Gulabchand Devchand Javeri	2, Rampart Row, Fort, Bombay
123	„ Gordhandas Ranchhoddas	„ Gordhandas Ranchhoddas	Zaveri Bazar, Bombay
124	„ Bhogilal Virchand Dipchand	„ Bhogilal Virchand Dipchand	Peddar Road, Malbar Hill. Bombay
125	„ Dunichand Durgadas	„ Dunichand Durgadas	Kharakuva, Shaikh Memon Street, Bombay
126	„ Vallabhdas Dayal	„ Vallabhdas Dayal	Vadgadi, Mandvi, Bombay
127	„ K S. Aiyar	Messrs. K. S Aiyar & Co.	65, Apollo Street, Fort, Bombay
128	„ Mathuradas Goculdas Thacker	Mr. Mathuradas Goculdas Thacker	Vincent Road, Matunga, G. I. P. Ry.
129	„ Hirachand Vanechand Desai	Messrs. Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay
130	Prof. S. R. Davar	„ The Davar's College of Commerce	Great Western Building, Apollo Street, Bombay
131	Mr. Nassurwanji K.A. Chinoy	Mr. Nassurwanji K A. Chinoy	Chinoy Mansions, Colaba, Bombay
132	„ Shivji Chapsey	Messrs. Vassanji Velji & Co.	Girgaum Back Road, Bombay
133	„ Phirozshaw N. Mehta	Messrs. P. N. Mehta & Co.	50, Church Gate Street, Fort, Bombay
134	„ Chhotalal Kilachand	„ Kilachand Devchand & Co.	63, Apollo Street, Fort, Bombay
135	„ U. S. Desai	„ The Bank of Morvi, Ld.	Humam Street, Fort, Bombay
136	„ Sorabji N. Pochkhanavala	„ The Central Bank of India Ltd.	Esplanade Road, Fort, Bombay
137	„ Beniprasad Dalmia	Messrs Mamraj Rambhagat & Co.	Mumbadevi Naka, Bombay
138	„ Haridas Nagji Vora	Mr. Haridas Nagji Vora	Mulji Jetha Market, Gordhan Galli, Bombay
139	„ Morarji Kanji	Messrs Thakker Amarsi Kanji	„ „ „ Sancha Galli, Bombay
140	„ Goculdas Damodar	Mr. Goculdas Damodar	„ „ „ Nava Govind Chawk, Bombay
141	„ Manilal Goculbhai Mulchand	„ Manilal Goculbhai Mulchand	Champa Galli, Bombay.
142	„ Harilal D. Jasani	Messrs. The Bombay Shroff Association.	289 91 Shaikh Memon Street, Bombay
143	„ Hansraj Pragji Thackersey	Mr. Hansraj Pragji Thackersey	2, Rampart Row, Fort, Bombay
144	„ Jamnadas Mulchand Parekh	Messrs. Goculbhai Dolatram & Co.	Champa Galli, Shaikh Memon St. Bombay

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145	Mr. Lavji Meghji	Messrs. Curamsey Damji & Sons	Girgaum Back Road, Bombay
146	„ Pestonji N. Masani	Mr. Pestonji N. Masani	Nawab Building, Hornby Road, Bombay
147	„ Ibrahim F. Lalji	Messrs. Jumabhi Lalji & Co.	Warden Road, Bombay
148	„ Laxmidas Nemidas	„ Mulchand Vasanji & Co.	90, Bazar Gate Street, Fort, Bombay
149	„ Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Shaikh MemonStreet, Bombay
150	„ Dwarkadas Gordhandas	Mr. Dwarkadas Gordhandas	289, Hornby Road, Fort, Bombay.
151	„ Pestonjee Dhanjibhai Patel	Messrs. Patel Bros.	6, Napier Road, Fort, Bombay,
152	„ Kekhushru N. Chandabhoy	„ Chandabhoy and Jassubhoy	Apollo Street, Fort, Bombay
153	„ Ratansey Dharamsey Morarji	Mr. Ratansey Dharamsey Morarji	Sudama House, Ballard Estate, Fort, Bombay
154	„ Hirji Khetsey	Messrs. Hirji Khetsey & Co.	Bhat Bazar, Mandvi, Bombay
155	„ Currimbhai Lalji Sajan	„ C. L. Sajan & Co.	Carnac Siding, Frere Road, Bombay
156	„ Hirji Ghelabhai	„ Hirji Ghelabhai & Co.	Carnac Siding, Frere Road, Bombay
157	„ Ramdas Narandas	„ The India Agency Co., Ltd.	63, Apollo Street, Fort, Bombay
158	„ Naranji Haribhai	„ Ramji Purshottam & Co.	Samuel Street, Vadgadi, Bombay
159	„ Khimji Hirji Kayani	„ Khimji Hirji Kayani & Co.	Circle, Fort, Bombay
160	„ Jehangir Bomanji Petit	Mr. Jehangir Bomanji Petit	Contractor Building, Ballard Estate Fort, Bombay
161	„ Casamalli Jerajbhai Peerbhai	„ Cassamalli Jerajbhai Peerbhai	Peddar Road, Bombay
162	„ M. P. Madan	Messrs. The Bombay Printing Works. Ltd.	Girgaum Tram Terminus, Bombay
163	„ Laxmidas Haridas	„ Assur Veerji & Sons	32, Mint Road, Fort, Bombay
164	„ Meghji Vassanji Tricumji	Mr. Meghji Vassanji Tricumji	"Jivan Lodge" Andheri
165	„ Vithaldas Liladhar Bhimji	„ Vithaldas Liladhar Bhimji	Princess Street, Bombay

166	Mr. M. V. Subiah	Messrs. The Commission and General Agency.	Avenue Road, Bangalore City
167	„ Vithaldas Bhawanidas	Mr. Vithaldas Bhawanidas	Tamba Kanta, Pydhonie, Bombay
168	„ Dwarkadas Kalyandas	„ Dwarkadas Kalyandas	Ridge Road, Malbar Hill, Bombay
169	„ Laxmidas Ravji Tairsee	Messrs. Laxmidas & Co.	29-31-32 Borrah Bazar St. Bombay
170	„ Surajmal Lallubhai	„ Surajmal Lallubhai & Co.	Kalbadevi Road, Bombay
171	„ Brij Beharilal	„ J. N. Singh & Co. Ltd.	26, Princess Street, Bombay
172	„ Mathuradas Goculdas	Mr. Mathuradas Goculdas	Canada Building, Hornby Rd., Fort, Bombay
173	„ Burjor Framroz R. Joshi	Messrs. Rustomji Edulji Dadachanji & Co.	55, Frere Road, Fort, Bombay
174	„ M. V. Merchant	Mr. M. V. Merchant	50-52, Church Gate Street, Fort, Bombay
175	„ N. S. Bayankar	Messrs. The Oriental Engineering Trading Co.	Fort Street, Fort, Bombay
176	„ Nagindas A. Adatia	Messrs. Nagindas and Maneklal	Homji Street, Fort, Bombay
177	„ Mavji Govindji	„ Mavji Govindji & Co.	Allahabad Bank Building, Fort, Bombay
178	„ Maganlal Parbhudas	„ The Bombay Yarn, Copper, and Brass Native Merchants' Association	Tamba Kanta, Pydhonie, Bombay
179	„ Girjashanker B. Trivedi	„ Trivedi & Co.	201, Hornby Road, Fort, Bombay
180	„ L. Desraj Mehra	„ The Punjab National Bank, Ltd.	Akbar Building, Hornby Road, Fort, Bombay
181	„ Bhimji J. Thacker	„ Bhimji Jairaj & Co.	305, 307 Chaupati Sea Face, Bombay
182	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt	Sandhurst Road, Girgaum, Bombay
183	„ Laxmidas Devji	Messrs. Jetha Devji & Co.	Sak Galli, Mandvi, Bombay
184	„ Dhanraj M. Parekh	„ Jassooji & Sons	197-99, Hornby Road, Fort, Bombay
185	„ Jamnadas Dwarkadas Dharamsey	Mr. Jamnadas Dwarkadas Dharamsey	Mongini Building, Church Gate St. Fort, Bombay
186	„ Jivandas Pitambar	„ Jivandas Pitambar	17, Circle, Fort, Bombay
187	„ Jagjivandas Narayan Mehta	„ Jagjivandas Narayan Mehta	93, 107, Musjid Bunder Road, Bombay

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188	Mr. Bhailal Dajibhai Amin	Messrs. The Alembic Chemical Works Co., Ltd.	Baroda
189	„ B. A. Billimoria	Messrs. Batliwala and Karani	Dalal Street, Fort, Bombay
190	„ Mohmad Hussein Dehdasti	Mr. Mohmad Hussein Dehdasti	Ash Lane, Fort, Bombay
191	„ Manu Subedar	Messrs. Manu Subedar & Co.	Sudama House, Ballard Estate, Bombay
192	„ Maneklal Manilal Ranchhoddas Pari	Mr. Maneklal Manilal Ranchhoddas Pari	Manek Chawk, Ahmedabad
193	„ Chandulal R. Yagnik	Messrs. Dolatram Kashiram & Co.	Lamington Road, Bombay
194	„ Ismail A. H. Moosa	„ Ismail A. H. Moosa Ltd.	188, Nagdevi Street, Bombay
195	„ Jamnadas Vassanji Manji	Mr. Jamnadas Vassanji Manji	Mooljee Jetha Market, Sir Vithaldas Galli, Bombay
196	„ Padamsoy Narsibhai	„ Padamsey Narsibhai	11, Bank Street, Fort, Bombay
197	„ K. B. Mohamadali Abdul-Kadar	Messrs. Taher & Co.	95-97, Nagdevi Street, Bombay
198	„ Phiroz J. Billimoria	„ The Indian Cement Co. Ltd.	Navsari Building, Hornby Road, Fort, Bombay
199	„ M. A. J. Noble	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bombay
200	„ Jayvant Shantaram Divedkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bombay
201	„ Surji Vallabhdas	„ Surji Vallabhdas & Co.	Church Gate Street, Bombay
202	„ Laxmichand M. Doshi	„ Laxmichand Padamsey & Co	Kalbadevi Road, Bombay
203	„ Rameshvardas Birla	„ Shivnarayan Baldevdas & Co.	Mumbadevi, Patel Building, Bombay
204	„ Ibrahim Gulamalli	„ Gulamalli Gulamhussein & Co.	9, Bank Street, Fort, Bombay
205	„ Sarabhai Vadilal Javeri	„ Chamanlal Sarabhai Javeri	311, Shroff Bazar, Bombay

206	Mr. Karsandas Thackersey Ravji	Mr. Karsandas Thackersey Ravji	187, Hornby Road, Fort, Bombay
207	,, Jwaladat R. Pilani	,, Jwaladat R. Pilani.	Shaikh Memon Street, Bombay
208	,, Narsidas Jekisandas Gangadas	,, Narsidas Jekisandas Gangadas	Napean Sea Road, Bombay
209	,, Karmalli Sabjalli	Messrs. Kassam Karmalli & Co.	204, Khoja Mohalla, Mandvi, Bombay
210	,, Mayashanker M. Bhatt	,, Mayashanker Thakkar & Co	47, Apollo Street, Fort, Bombay
211	,, Vallabhdas Dayal	,, Dungershi Shamji Joshi & Co.	45, 47, Vadgadi, Bombay
212	,, Harnandrai Ramnarayan	Mr. Harnandrai Ramnarayan	183, Kalbadevi Road Bombay
213	,, Hormasji Bapuji Gazdar	,, Hormasji Bapuji Gazdar	35, Mandlik Road, Apollo Bunder, Bombay
214	,, T. M. Rangachari	,, T. M. Rangachari	Turner Road, Bandra
215	,, Walchand Hirachand	,, Walchand Hirachand	Sudama House, Ballard Estate, Bombay
216	,, K. D. Zaveri	Messrs. Walmer & Co. Ltd.	11, Hamam Street, Fort, Bombay
217	,, Motichand G. Shah	,, Pathak & Walchand Ltd.	Love lane, Mazgaon, Bombay
218	,, Ambalal Sarabhai	Mr. Ambalal Sarabhai	Retreat, Shahibag, Ahmedabad
219	,, Mansukhlal Atmaram Master	,, Mansukhlal Atmaram Master	Sudama House, Ballard Estate, Bombay
220	,, Ranchhoddas Bhawan	Messrs. Bhawan Jivraj & Co.	Duncan Road, Bombay
221	,, Damodar Govindji Madhowji	,, Govindji Madhowji & Co.	2, Rampart Row, Fort, Bombay
222	,, H. M. A. Anik.	,, H. Anik & Co.	Baria Building, oppt. Crawford Market Bombay
223	,, Hiralal M. Shah	Mr. Hiralal M. Shah	Paris. (France)
224	,, Nanabhai Tullockchand	,, Nanabhai Tullockchand	Nehalchand Building, New Queens Road, Bombay
225	,, Bhagwandas Gordhandas	,, Bhagwandas Gordhandas	3, Wallance Street, Fort, Bombay
226	,, Mathuradas Kanji Matani	Messrs. The Bombay Rice Merchants' Association	83, Mint Road, Bombay.
227	,, Madhavlal Makanji	Messrs. Keshavlal Brothers	Princess Street, Bombay
228	,, Chamanlal Popatlal Mehta	,, C. K. Vohra & Co.	399, Abdul Rehman Street, Bombay
229	,, Nandlal Madhavdas	,, Haridas Madhavdas Amersey & Amersey Damodar & Co.	173, Bhuleshwar Road, Bombay
230	,, Kekhushru Manekji Cooper	Mr. Kekhushru Manekji Cooper	Gazdar House, Hughes Road, Bombay

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231	Mr. Fazulbhoy Ibrahim Rahimtulla	Messrs. Fazulbhoy Ibrahim & Co.Ld	Central Bank Building 3rd Floor, Esplanade Road, Bombay
232	„ Mangaldas Prahladbhai	„ Prahladbhai Dolatram & Co	Tamba Kanta, Bombay
233	„ M. B. Mehta	„ M. B. Mehta & Co.	44, Bank Street, Bombay
234	„ D. G. Banker	Mr. D. G. Banker	Belle View, Chaupati, Bombay
235	„ Manilal Jugaldas	„ Manilal Jugaldas	18, Green Street, Fort, Bombay
236	„ Vithal Ambaram Jani	Messrs. Vithal Ambaram Jani & Co	Tank Bunder, Mazgaon, Bombay
237	„ Hargovind Ambaram Jani	„ Hargovind Shivlal & Co.	Do. do.
238	„ A. G. Somia	„ M. Somia & Co.	Samuel Street, Vadgadi, Bombay
239	„ Narandas Keshoordas	„ Lalji Godhoo & Co.	Do. do
240	„ Manilal Balabhai	„ Manilal Balabhi & Co.	26, Hamam Street. Fort, Bombay
241	„ B. F. Madan	Mr. B. F. Madan	Navsari Building, Hornby Road, Bombay
242	„ Burjorji C. Sethna	Messrs. Cursetji Bomanji & Co.	19, Bank Street, Fort, Bombay
243	„ Mathuradas Tricumdas	„ Mathuradas V. Kothare & Co.	71, Apollo Street, Fort, Bombay
244	„ Sultan I. Janmohmad	Mr. Sultan I. Janmohmad	C/o Currimbhoy Ibrahim & Sons. 12-14 Outram Road, Fort, Bombay
245	„ Shantidas Ashkaran	„ Shantidas Ashkaran	Hughes Road, Bombay
246	„ Padamsey Mulji	Messrs. Jetha Mulji & Co.	45, Old Hanuman Lane, Bombay
247	„ Kanaiyalal Ranchhodbhai	„ Dalsukhbhai Kanaiyalal & Co.	Shilotri Bank, Building, 36 Tamarind Lane, Fort, Bombay
248	„ Vyas Laxmishanker Narbadashanker	Mr. Vyas Laxmishanker Narbadashanker	Detroj
249	„ Ramkrishna Narayan Bijur	„ Ramkrishna Narayan Bijur	Meadows Street, Fort, Bombay
250	„ Ishwardas Laxmidas	„ Ishwardas Laxmidas	Garden View, Hughes Road, Bombay
251	„ N. M. Muzumdar	„ N. M. Muzumdar	Navsari Building, Hornby Road, Bombay

252	Mr. Hatim E. Attari	Messrs. Hatim Attari	47 B. Apollo Street, Fort, Bombay
253	„ Narsidas B. Kamdar	„ H. J. Billimoria & Co.	Nanabhai Lane, Hornby Road, Fort, Bombay
254	„ D. M. Wadia	„ D. M. Wadia & Co.	Marzban Road, Bombay
255	„ Gopaldas Tricumji Jivandas	Mr. Gopaldas Tricumji Jivandas	66, Bazar Gate Street, Fort, Bombay
256	„ Ishwarlal Ganpatram Gajjar	„ Ishwarlal Ganpatram Gajjar	Parekh Building, New Queens Road, Bombay
257	„ Vassanji Naranji Bhimji	„ Vassanii Naranji Bhimji	Vadgadi Mandvi, Bombay
258	„ Keshavji Nanji	„ Keshavji Nanji	Laxmidas Khimji Market, Bombay
259	„ Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co.	319, Duncan Road, Bombay
260	„ Edulji S. Cooper	„ Palanji Edulji & Sons	New Charni Road, Girgaon, Bombay
261	„ Mulji Ranchhod Ved	Mr. Mulji Ranchhod Ved	Green Bungalow, Andheri
262	„ Velji Lakhamshi	Messrs. Napoo Nensey & Co.	38-42, ArgyleRoad,DanaBunder,Bombay
263	„ Alimohmad R. Macklai	Mr. Alimohmad R. Macklai	20-26 Churchgate Street, Bombay
264	„ Jamnadas Ramdas	Messrs. Jamnadas Ramdas & Co.	31, Hamam Street, Fort, Bombay
265	„ Anantrao Balkrishna Kamat	„ B. Sitaram & Sons. Sitaram Laxman & Sons	Hamam Street, Fort, Bombay
266	Hon. Mr. Balkrishna Sitaram Kamat	Messrs. B. Sitaram & Sons. Sitaram Laxman & Sons	Ganesh Khind, Poona
267	Mr. Hakemchand Valamji Kapadia	Mr. Hakemchand Valamji Kapadia	Mulji Jetha Market, Sir Vithaldas Galli Bombay
268	„ J. H. Bhabha	Messrs. The Tata Hydro Electric Power Supply Co. Ltd.	Navsari Building, Hornby Road, Fort, Bombay
269	„ Dwarkadas Jekisandas	Mr. Dwarkadas Jekisandas	58, Walkeshwar Road, Bombay
270	„ Bansidhar Jalan	Messrs. Cheniram Jesraj & Co.	34, do. do.
271	„ Karmalli Ibrahim	„ Kasinath D. Khote & Co.	Khoja Mohalla, Mandvi, Bombay
272	„ Tulsidas Monji Vora	„ Hansraj & Co.	20, Elphinstone Circle, Fort, Bombay
273	„ Vallabhdas Ranchhoddas	Mr. Vallabhdas Ranchhoddas	70, Appllo Street, Fort, Bombay
274	„ Kapilram H. Vakil	„ Kapilram H. Vakil	C/o Tata Sons Ltd. Navsari Building, Bombay
275	„ Gangaram Tricumdas	Messrs. Chaturbhuj Gangaram & Co.	Masjid Bunder Road, Bombay

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276	Mr. C. J. Vurdhman	Messrs. Vurdhman Brothers	Tamarind Lane, Bombay
277	„ M. Umar Chandabhoy	„ The Mauritius Shippers Association-	202, Nagdevi Street, Bombay
278	„ Narandas V. Dossa	Mr. Narandas V. Dossa	14, Humam Street, Fort, Bombay
279	„ Somnath Rupjidas Patel	„ Somnath Rupjidas Patel	77-79, 3rd Bhoivada, Bombay
280	„ Ratnamanirao BhimraoJhote	Messrs. The advance Trading Co.	Tamba Kanta, Bombay
281	„ Dawood Haji Nassur	„ Nassur Haji Mavji & Co.	Khoja Mohalla, Bombay
282	„ Narandas Assanmal	Mr. Narandas Assanmal	132, Bhuleshwar Road, Bombay
283	„ Amrutlal Amerchand Madhowji	Messrs Amerchand Madhowji & Co.	Mudi Bazar, Mandvi, Bombay
284	„ Framji Dorabji Panday	„ Pestonji & Co.	371, Hornby Road, Bombay
285	„ Shiraj A. Vasi	„ Shiraj A. Vasi & Co.	47, Apollo Street, Fort, Bombay
286	„ Ahmadi Shiraj	„ Shaikh Adam Husseinalli Vasi & Co.	Vasi Building. 155-56, Nagdevi Street, Bombay
287	„ Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	183, Hornby Road, Bombay
288	„ Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co.	Meadows Street, Fort, Bombay
289	„ Behram N. Karanjiya	Mr. Behram N. Karanjiya	238-40, Musjid Bunder Road, Bombay
290	„ M. N. Gobhai	„ M. N. Gobhai	Do. do. do.
291	„ Madhavdas Goculdas Pasta	„ Madhavdas Goculdas Pasta	11, Bastion Road, Bombay
292	„ Jamnadas Morarji	„ Jamnadas Morarji	35, Mint Road, Fort, Bombay
293	„ Sarabhai Prataprai	„ Sarabhai Prataprai	Madhuli, Grant Road, Bombay
294	Sir Dinshaw Manekji Petit	Sir Dinshaw Manekji Petit	Contractor Building, Ballard Estate Bombay
295	Mr. Panachand Manchand	Mr. Panachand Manchand	259-61, Shaikh Memon Street, Bombay
296	„ Rameshwardas Birla	Messrs. The Bombay Stock Exchange Ltd.	9-11 Meadows Street, Bombay

297	Mr. Maneklal Jethabhai	Mr. Maneklal Jethabhai	Babulnath Road, Bombay
298	„ Mansukhlal Chhaganlal	„ Mansukhlal Chhaganlal	Shree Ram Mansion, Sandhurst Road, Bombay
299	„ Karamchand Chunilal	„ Karamchand Chunilal	Do. Do.
300	„ Balkisandas Ramkisandas	„ Balkisandas Ramkisandas	No. 36, Vithalvadi, Kalbadevi Road, Bombay
301	„ K. R. P. Shroff	„ K. R. P. Shroff	80, Esplanade Road, Fort, Bombay
302	„ Pesi R. P. Shroff	„ Pesi R. P. Shroff	Do. Do.
303	„ Narandas Manordas	„ Narandas Manordas	Shaikh Memon Street, Bombay
304	„ P. J. Panday	Messrs. C. Framji & Co.	14, Humam Street, Fort, Bombay
305	„ Y. G. Pandit	Mr. Y. G. Pandit	Hornby Road, Whiteaway Laidlaw Building, Bombay
306	„ R. J. Duff	Messrs. The New India Assurance Co., Ltd.	Esplanade Road, Bombay
307	„ Kanji Karsandas	Mr. Kanji Karsandas	Parsi Bazar Street, Fort, Bombay
308	„ Dulerai Vanechand Desai	Messrs. Dulerai & Co.	70, Apollo Street, Fort, Bombay
309	„ Pranjivan Vassanji Manji	Mr. Pranjivan Vassanji Manji	Wacha Gandhi Road, New Gamdevi, Bombay.
310	„ Jairaj Vassanji Manji	„ Jairaj Vassanji Manji	Mun Bhuvan, Nepean Sea Road, Bombay
311	„ M. K. Chaubal	Messrs. The Bombay Swadeshi Co-operative Stores Co. Ldt.	Times Building, Hornby Road, Bombay
312	„ K. B. N. Kapadia	„ The Indian Steel Wire Products, Ltd.	65, Apollo Street, Fort, Bombay
313	„ Vithaldas Harjivandas	„ Harjivandas Jagjivandas & Co.	26, Jambulvadi, Kalbadevi Road, Bombay
314	„ Kisandas Manmohandas Ramji	„ The New Kaiser-i-Hind Sp. & Wg. Co., Ltd.,	20, Bank St. Fort, Bombay
315	„ Vithaldas Bhagwandas	„ Vithaldas Bhagwandas & Co.	Mulji Jetha Market, Chikhal Galli, Bombay.
316	„ Maganbhai P. Amin	„ Maganbhai Amin & Co.	32, Apollo Street, Fort, Bombay.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
317	Mr. Maganlal Purshottamdas	Messrs. Purshottam Pranvallabh & Co.	Dalal St. Share Bazar, Bombay
318	„ Mohanlal Harakhchand	„ Mohanlal & Co.	197-20, Shaikh Memon Street, Bombay
319	„ Gokuldas Ranchhoddas	„ Ranchhoddas Varjivandas & Co.	Kandevadi, Madhav Bhuvan, Bombay
320	„ Chhotalal M. Kothari	„ Chhotalal Kothari & Co.	53, Apollo Street, Bombay
321	„ Abubakar Abdulrahman	„ Abubakar Abdulrahman & Co.	Narayan Dhruv St. Pydhone, Bombay
322	„ Karsandas Hargovan	„ R. Karsandas & Co.	MuljiJothaMarket,Pragraj Galli,Bombay
323	„ Jamnadas Purshottam	„ Jethabhai Hirji & Co.	Do. Chawk, Bombay
324	„ Vassanji Meghji	„ B. Hargovan & Co.	Do. Pragraj Galli, Bombay
325	„ D. D. Sethia	„ Shivji Dharamsey Sethia & Co.	70, Apollo Street, Fort, Bombay.
326	„ M. C. Amin	„ The Malbar Forests & Rubber Co., Ltd.	76, Tamarind Lane, Fort, Bombay
327	„ Tarachand H. Khana	Mr. Tarachand H. Khana	Imperial Chamber Building, Ballard Pier, Bombay
328	„ Venilal Jekisandas Vakil	„ Venilal Jekisandas Vakil	Machli Pith, Surat.
329	„ Tulsidas Ramdas	„ Tulsidas Ramdas	344, Vadgadi, Bombay
330	„ Jamnadas Narandas Chahevala	„ Jamnadas Narandas Chahevala	Alahibag Building, Abdul Rehman Street, Bombay
331	„ Pragji Dayal Hariani	„ Pragji Dayal Hariani	24-32, D'Souza Street, Mandvi, Bombay
332	„ Morarji Narottam	„ Morarji Narottam	78, Walkeshwar, Bombay
333	„ Sheralli Tarmohmad	Messrs. Dawoodalli & Co.	123, Nagdevi Street, Bombay
334	„ Jivanlal Chimanlal Setalvad	„ J. C. Setalvad & Co.	113, Esplanade Road, Fort, Bombay

335	Mr. Narayandas Bhawanji	Messrs. Narayandas Bhawanji&Co.	D'Souza Street, Vadgadi, Bombay
336	„ Naranji Premji	„ Purshottam Naranji & Co.	Khojavala Building, Bhandari Street, Bombay
337	„ Purshottam Hirjee	„ Hirji Govindji & Co.	82, Baroda Street, Dana Bunder, Bombay
338	„ Chimanlal Mohanlal	„ Chimanlal Mohanlal & Co.	Zaveri Bazar, Patel Building, Bombay
339	„ Ranchhoddas Govindji Asher	Mr. Ranchhoddas Govindji Asher	M. J. Market, Chawk, Bombay
340	„ Yeshvant Vinayak Dhurandhar	Messrs. Dhurandhar Brothers	Parsi Bazar St. Fort, Bombay
341	„ Balabhai Jamnadas	„ The Gujarat Oil Mill Mfg. Co., Ltd.	Asharva, Post Kalupur, Ahmedabad
342	„ V. A. Desai	Messrs. The All-India United Assurance Co., Ltd.	72, Apollo Street, Fort, Bombay
343	„ Ratan C. Gazdar	„ Bomanji C. Gazdar & Co.	Allahabad Bank Building, Fort, Bombay
344	„ Khimji Asher Virji	Mr. Khimji Asher Virji	320, Mint Road, Fort, Bombay
345	„ Dhanji Devsey	Messrs. Dhanji Devsey & Co.	223, 27 Dongri Street, Bombay
346	„ B. S. Dubas	„ B. Dubas & Co	32, Apollo Street, Fort, Bombay
347	„ Maneklal Ujamshi	Mr. Maneklal Ujamshi	Allahabad Bank Building, Fort, Bombay
348	„ Ranchhoddas Harjivandas Gandhi	„ Ranchhoddas Harjivandas Gandhi	Ramchandra Building, Princess Street, Bombay
349	„ Thackersey Mahashanker	Messrs. Thackersey Mahashanker & Co.	Kumbharvada 2nd Lane, Sandhurst Road, Bombay
350	„ Dharamsey Bhawanji	„ Bhawanji Harbham & Co.	2nd Panjra Pole Lane, Bombay
351	„ Sorab Framji Bharoocha	Mr. Sorab Framji Bharoocha	7-10, Elphinstone Circle, Fort, Bombay
352	„ Maganlal Dahyabhi	Messrs. Dahyabhai Vassanji & Sons	Vithaldas Road, Princess Street, Bombay
353	„ Husseinbhoy Hasambhoy	„ Husseinbhoy & Co.	23, Meadows Street, Fort, Bombay
354	„ Keshavlal Harilal Setalvad	„ M. Kanji & Co.	Cavasji Patel Street, Fort, Bombay
355	„ Sangidas Jesiram Rai Saheb	Mr. Sangidas Jesiram Rai Saheb	9, Khatar Galli, Fanaswadi, Bombay
356	„ Dayaldas Narandas Kanji	Messrs. Narandas Kanji & Co.	Mulji Jetha Market Nava Govind Chawk Bombay
357	„ Kanji Dwarkadas	Mr. Kanji Dwarkadas	Yusuf Building, Esplanade Road, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
358	Mr. Karsandas Tejpal	Messrs. Karsandas Tejpal & Co.	Samual Street, Mandvi, Bombay
359	,, Tricumdas Dwarkadas	,, Tricumdas Karsandas & Co.	Yusuf Building, Esplanade Road, Bombay
360	,, Ramanbhai Lalbhai Sheth	,, Bechardas Manchand	Khara Kuva, Sk. Memon Street, Bombay
361	,, Kasturbhai M. Nagarsheth	,, M. Nagarsheth & Sons	Nagarseth Building, Ballard Pier, Fort, Bombay
362	,, Shamji Hemraj	,, Shamji Hemraj & Co.	Canada Building, Hornby Road Bombay
363	,, Shantikumar Narottam Morarjee	,, The Solapur Spg. & Wg. Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay
364	,, Laxmidas G. Dossa	,, Gocouldas Dossa & Co.	14, Humam Street, Fort, Bombay
365	,, Morarji Keshavji	,, Morarji & Hormasji	Shaikh Memon Street, 22, Champa Galli, Bombay
366	,, Bomanji Dorabji Kapadia	Mr. Bomanji Dorabji Kapadia	Engineer Building, Princess Street, Bombay
367	,, Hiralal Gordhandas	Messrs. The Bombay Automobiles	Hughes Road, Bombay
368	,, Motiram Waghji	,, Pragji Liladhar & Co.	Mulji Jetha Market Dharamraj Galli, Bombay
369	,, Purshottam Dayal Thakkar	,, Thakkar & Co.	Jnaria
370	,, Nanu N. Bharucha	,, Nanu N. Bharucha & Co.	209, Frere Road, Bombay
371	,, Ruttonchund Tullockchund Master	,, Master Sons & Co.	Yusuf Building, Esplanade Road, Fort, Bombay
372	,, GustadjiDossabhoyBillimoria	Mr. Gustadji Dossabhoy Billimoria	Chinoy Mansion, Colaba, Bombay
373	,, Raghavji Purshottam	,, Raghavji Purshottam	C/o Currimbhoy Ibrahim & Sons, Vithalwadi, Bombay
374	,, L. G. Mahajani	,, L. G Mahajani	Babulnath Road, Bombay
375	,, Thakorlal Hiralal Vakil	Messrs. Vakil Brothers	73, Apollo Street, Bombay

376	Mr. Chunilal Baldevdas	Mr. Chunilal Baldevdas	C/o Mulchand Kantilal, Tamba Kanta, Bombay
377	,, P. J. Kanga	Messrs. The Tata Construction Co., Ltd.	Sudama House, Ballard Estate, Bombay
378	,, Korsi Monsi	,, Kurpal Dungershi & Co	Bhat Bazar, Mandvi, Bombay
379	,, Keshavji Damji Hirji	Mr. Keshavji Damji Harji	Samuel Street, Mandvi, Bombay
380	,, Veerji Peraj	Messrs. Chaturbhuj Peraj & Co.	Maskai Building, Bhandari Street Bombay
381	,, H. H. Belgaumwalla	Mr. H. H. Belgaumwalla	Santacruz
382	,, Nowroji H. Belgaumwalla	,, Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Frere Road, Bombay
383	,, L. B. Phatak	,, L. B. Phatak	19, Keshav Ashram, Sandhurst Road, Bombay
384	,, Kaikhasroo R. P. Shroff	Messrs. The Native Share & Stock Brokers' Association	Dalal Street, Fort, Bombay
385	,, S. C. Bannerji	,, Marsland Price & Co., Ltd.	Nesbit Road, Mazgaon, Bombay
386	,, Khushal T. Shah	Mr. Khushal T. Shah	Esplanade Road, Bombay
387	,, Narotam V. Purshottam	Messrs. Vithal Purshottam & Son	2nd Khetwadi Lane, Sandhurst Road, Bombay
388	,, Nensey Tejpal	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bombay
389	,, Framroze A. Mody	,, Framroze A. Mody	Ramchandra Lalji Bldg. Carnac Road, Bombay
390	,, Pahoomal Bros.	Messrs. The Japan & Shanghai Silk Merchants' Association	Jackeria-musjid, Bombay
391	,, S. J. Pandya	,, The Scindhia Steam Navigation Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay
392	,, Ranchhoddas Tribhovandas Popavala	Mr. Ranchhoddas Tribhovandas Popavala.	"Ujamsey Bhuvan", Girgaum Back Road, Bombay
393	,, Husseinbhoy A. Laljee	Messrs. Abdullabhoy Laljee & Co.	Samuel Street, Mandvi, Bombay
394	,, Navroji Ardeshir Narielwala	,, A. S Narielwala & Co.	Cavasji Patel Street, Fort, Bombay
395	,, Balvant Krishna Rao Wagle	Mr. Balvant Krishna Rao Wagle.	8, Kandewady, Girgaum, Bombay
396	Sir M Vishvesvaraya.	Sir M. Vishvesvaraya	"Miani House" Bangalore

Serial No.	Representatives of Members.	Names of Members.	Addresses.
397	Mr. A. K. Sen	Messrs. Bakubhai Ambalal & Co,	65, Apollo Street, Fort, Bombay
398	Sir Jamsetjee Jijibhoy, Bt.	Sir Jamsetjee Jijibhoy, Bt.	Mazgaon Castle, Bombay
399	Mr. P. N. Vevaina	Messrs. Nanavati Vevaina & Co.	Ismail Building, Hornby Road, Bombay
400	,, S. D. Bhedwar	,, The Kinsmen Trading Co.	24, Churchgate Street, Fort, Bombay
401	,, Betram Chester	,, The Jupiter General Insurance Co., Ltd,	Tamarind Lane, Fort, Bombay
402	,, S. N. Pochakhanawala	,, The Union Bank of India Ltd.	Fort, Bombay
403	,, Samaldas Lilachand	Mr. Samaldas Lilachand	Luharchawl, Harharvala Building Bombay
404	,, J. R. Gilder	Messrs. Billimoria Gilder & Co.	32, Apollo Street, Fort, Bombay
405	,, Mahamod Haji Aboo	,, Mahamod Haji Aboo	101, Cutlery Bazar, Bombay
406	,, GulabchandDevchandJaveri	,, The Pearl Merchants' and Jewellers' Association	2, Rampart Row, Fort, Bombay
407	,, R. N. Bapasola	Mr. R. N. Bapasola	Ismail Building, Hornby Road, Fort, Bombay
408	,, Ratanchand Khimchand Motishaw	Messrs. R. K. Motisbaw & Co.	11, Humam Street, Fort, Bombay
409	,, Manmohandas Madhavdas Amersey	,, Amersey & Sons	Sudama House, Ballard Estate, Bombay
410	,, Surji Tricumdas Kothari	Mr. Surji Tricumdas Kothari	15–19, Samuel Street, Mandvi, Bombay
411	,, Lalji Rowji Khant	,, Lalji. Rowji Khant	15–19, Samuel Street, Mandvi, Bombay
412	,, Narsinghdas Sadani	Messrs Gambhirchand Kedarnath	558, Sk. Memon Street, Bombay
413	,, Jetha Ranchhoddas	,, Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bombay

414	Mr. K. R. Khosla	Messrs. The Industrial and Exchange Bank of India Ltd.	Opp. General Post Office, Fort, Bombay
415	„ Keki D. Billimoria	„ Dadiba H. Billimoria & Co	20, Hamam Street, Fort, Bombay C/o Jehangir, Gulabbhai and Billimoria Solicitors
416	„ B. H. Readymoney	„ B. H. Readymoney & Co.	112, Princess Street, Bombay
417	„ Jehangir P. Katgara	„ Jeena & Co.	34, Churchgate Street, Fort, Bombay
418	„ Dhruva Sumanas	Mr. Dhruva Sumanas	65, Apollo Street, Fort, Bombay
419	„ Jayantilal Bhaidas	Messrs. The Indian Engineering Co.,	Hornby Road, Nanabhai Galli, Fort, Bombay
420	„ Narotam Narandas Topan	„ Narandas Topan	Tamba Kanta, Pydhonie, Bombay
421	„ Pritamdas B. Advani	Mr. Pritamdas B. Advani	Marzban Road, Fort, Bombay
422	„ Keshavlal Lallubhai	„ Keshavlal Lallubhai	Khokha Bazar, Bhajipala Lane, Bombay
423	„ Mulraj Khatau	Messrs. The Khatau Makanji Spg. & Wg. Co., Ltd.	42, Ballard Road, Laxmi Building, Bombay
424	„ Raghunath Chintaman Sohoni	Mr. Raghunath Chintaman Sohoni	Princess Street, Bombay
425	„ Cursetji Limji	Messrs. The Bombay Cycle & Motor Agency, Ltd.	16, New Queen's Road, Bombay
426	, Nassurvanji S. Gazdar	„ Nassurvanji S. Gazdar & Co	Canada Building, Hornby Rd., Fort, Bombay
427	„ Gordhandas Goculdas Morarji	Mr. Gordhandas Goculdas Morarji	Old Hanuman Lane, Kalbadevi Road, Bombay
428	„ Devidas Shamji	„ Devidas Shamji	Mulji Jetha Market, Chawk, Bombay
429	„ Girdhardas Liladhar	„ Girdhardas Liladhar	2, Rampart Row, Fort, Bombay
430	„ B. Das	Messrs. B. Das & Co.	23, Meadows Street, Fort, Bombay
431	„ Hiralal Chhaganlal	„ Chhaganlal & Co.	Carnac Bunder Bombay
432	„ Chunilal Girdharlal	„ Chunilal Harilal & Co.	16-18, Green St., Fort, Bombay
433	„ Chaturbhuj Khiyasey	„ Damji Assaria & Co.	81-83, Chinch Bunder, Bombay
434	„ Amiruddin Shalebhoy Tyebji	„ Shalebhoy Tyebji & Sons	20, Bank St. Fort, Bombay
435	„ Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	20, Bank St. Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
436	Mr. R. R. Nabar	Mr. R. R. Nabar	Share Bazar, Dalal St. Fort, Bombay
437	,, H. B. Chavda	Messrs. Manharlal & Co.	Darya Mahal Kalbadevi Rd. ,,
438	,, M. M. H. J. M. Chhotani	,, Chhotani & Co.	Dontad Street, Khadak, Bombay
439	,, Behramji N. Gamadia	Mr. Behramji N. Gamadia	18 Homji Street, Fort, Bombay
440	,, Behram J. B. Petit	,, Behram J. B. Petit	"Mount Petit" Peddar Road, Bombay
441	,, H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bombay
442	,, N. B. Saklatvala	,, The Tata Mills Ltd	Navsari Building, Fort, Bombay
443	,, N. B. Saklatvala	,, The Swadeshi Mills Co. Ltd.	Do. do. do
444	,, S. D. Saklatvala	,, The David Mills Co. Ltd.	E.D. Sasoon Building, Ballard Estate Bombay
445	,, S. D. Saklatvala	,, The Standard Mills Co. Ltd	Navsari Buildiug, Fort, Bombay
446	,, Chamanlal Girdhardas Parekh	,, The Industrial Bank of Western India Ltd.	Lal Darvaja, Ahmedabad
447	,, Habib Ismail	,, Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bombay
448	,, Tribhuvandas Pragji	Mr. Tribhuvandas Pragji	BhabhaBuildings,PrincessStreet, Bombay
449	,, Ranchhoddas Tribhuvandas Mody	,, Ranchhoddas Tribhuvandas Mody	Ridge Road, Malbar Hill, Bombay
450	,, H. P. Mody	,, H. P. Mody	Gresham Buildings, Esplanade Road, Bombay
451	,, Ibrahim Gullamhussein Currimbhoy	,, Ibrahim Gulamhussein Currimbhoy (of Messrs. Currimbhoy Ibrahim & Sons)	12-14 Outram Road, Fort, Bombay
452	,, Phirozshaw Ratanji Desai	,, Phirozshaw Ratanji Desai	Nakhoda Street, Mandvi, Bombay

453	Mr. S. Haji	Messrs. Narottam Ltd.	Sudama House, 31, Sprott Road, Ballard Estate, Bombay
454	„ Shantikumar Narottam Morarji	Mr. Shantikumar Narottam Morarji	Shanti Bhuvan, Peddar Road, Bombay
455	„ P. N. Vevaina	Messrs. The Eastern Bunkerers Ltd,	Ismail Bldg., Hornby Rd. Fort, Bombay
456	„ R. M. Marshall	Messrs. R. M. Marshall & Co.	Raja Terrace, Lamington Road, Bombay
457	„ Shiavax C. Cambata	„ Shiavax C. Cambata & Co.	Century Bldg , Hornby Rd, Fort, Bombay
458	„ Huseinally Mahomedbhoy Currimbhoy	Mr. Huseinally Mahomedbhoy Currimbhoy	12–14, Outram Road, Fort, Bombay
459	„ Mahomedbhoy Currimbhoy	„ Mahomedbhoy Currimbhoy	Do. Do. Do.
460	„ Noorcodin Abdul Husein Noorudin	Messrs. The Bombay Paper & Stationery Merchants' Association	34, Khokha Bazar, Bombay
461	„ Husein Ibrahim	„ Curmally Ibrahim & Co.	165, Khoja Mohalla, Mandvi, Bombay
462	„ Kashinath D. Khote	Mr. Kashinath D. Khote	Laburnum Road, Gamdevi, Bombay
463	„ Nowroji M Dumasia	„ Nowroji M. Dumasia	C/o Times of India Office, Bombay
464	„ Keshavji Morarji Vassanji	Messrs. Keshavj Morarji Vassanji & Co.	142, Ridge Road, Malabar Hill, Bombay
465	„ Ranchhoddas Naranji	„ Sunderdas Padamsey & Co.	Dharamraj Gully, Mulji Jetha Market, Bombay
466	„ Hansraj Goculdas Naranji	„ Hansraj Goculdas & Co.	Wallace Street, Fort, Bombay
467	„ Hasam Rahimtulla	Mr. Hasam Rahimtulla	Sudama House, 31, Sprott Road, Ballard Estate, Fort, Bombay
468	„ Phiroshaw D. Patel	„ Phiroshaw D. Patel	Mulji Jetha Market, Gordhan Gulli Bombay
469	„ B. J. Modi	Messrs. The Cotton & Commercial Trust Ltd.	Ewart House, Tamarind Lane, Fort, Bombay
470	„ Kallianji Curumsey Damji	Messrs. L. K. Vassonji & Co.	Yusuf Building, Esplanade, Road, Fort, Bombay
471	„ S. D. Parikh	„ The Bombay Bullion Exchange, Ltd.	Shroff Bazar, Bombay.
472	„ Abdulkadar Bawla	Mr. Abdulkadar Bawla	17, Kambekar Street, Bombay

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473	Mr. Dawoodkhan Shalebhoy Tyebjee	Messrs. Amir Brothers	20, Bank Street, Fort, Bombay
474	„ A. D. Poonawala	Mr. A. D. Poonawala	20, Bank Street, Fort, Bombay
475	„ Suleman Cassum Haji Mitha	„ Suleman Cassum Haji Mitha	27, Kolsa Moholla, Pydhonie, Bombay
476	Sir Ebrahim Rahimtulla	Sir Ebrahim Rahimtulla	Central Bank Building, Esplanade Road, Fort, Bombay
477	Mr. Mahomedbhoy Gulamhussein	Messrs. Hatimbhoy Gulamhussein & Brothers	119–121, Nagdevi Street, Bombay
478	„ Mafatlal Gagalbhai	Mr. Mafatlal Gagalbhai	265, Hornby Road, Fort, Bombay
479	„ Jugatram S. Vaidya	Messrs. The Zandu Pharmaceutical Works Ld.	Elphinstone Road, Bombay 13.
480	„ Framroze Pestonji	„ P. Framroze & Co.	"Standard Buildg." HornbyRd., Bombay
481	„ M. C. Ghia	„ M. C. Ghia & Co.	18, Hamam Street, Fort, Bombay
482	„ Burjor S. J. Aga	„ Shapoorji N. Chandabhoy & Co.	"Morarbhai Building 43, Apollo Street, Fort, Bombay
483	„ Kaikhushroo Bezenjee N. Capadia	Mr. Kaikhushroo Bezenjee N. Capadia	"Capadia House" Cumbala Hill, Bombay
484	„ Hoosenally M. Rahimtulla	Messrs. Jaffer Rahimtulla & Co.	"Dadoo Building" Marine Street, Fort, Bombay

485	Mr. Morarji Mulraj Khatau	Messrs. Morarji Mulraj & Co.	"Laxmi Building" 42, Ballard Road, Fort, Bombay
486	Hon. Sir S. R. M. Annamalai Chetty	Hon. Sir S. R. M. Annamalai Chetty	"Natana Vilas"38, P. C. Road, Vepery, Madras
487	Mr. Sankalchand G. Shah	Mr. Sankalchand G. Shah	Harharvala Bldg. No. 3, Lohar Chawl, Bombay.
488	„ Vadilal Maganlal	Messrs. Maganlal Dipchand	Khand Bazar, Bombay
489	„ Meyer Nissim	Mr. Meyer Nissim	101, Esplanade Road, Fort, Bombay
490	„ Vadilal Motilal Shah	Messrs. The Swan General Trading Co.	124, Cawasji Patel Street, Fort, Bombay
491	„ Dahyalal Makanji Javeri	The Bombay Diamond Merchants' Association	Zaveri Bazar, Bombay
492	„ D. D. Writer	Messrs. D. Writer & Co.	Arab Lane, Corner Grant Road, Bombay
493	„ Popatlal Girdharlal	„ Popatlal Girdharlal & Co.	73–77, Meadows Street, Fort, Bombay
494	„ M. P. Lohana	„ Dhunji Vrajlal & Co.	84, New Chinch Bunder, Bombay
495	„ Vallabhdas Hirji	„ Ghee Merchants' Association	Mudi Bazar, Bombay
496	„ Keshavprasad C. Desai	„ The Industrial & Prudential Assurance Co. Ltd.	113, Esplanade Road, Bombay
497	„ Rustomji Edulji Mody	„ Furdunji Khurshedji Mody & Sons.	Reay Road, Tank Bunder, Bombay

Managing Committee of the Indian Merchants' Chamber for the year 1924.

1. Manmohandas Ramji, Esq. J. P. (President).
2. The Honourable Mr. Phiroze C. Sethna, O.B.E., (Vice President).

(Members).

3. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.
4. Sir Fazulbhoy Currimbhoy, Kt., C.B.E.
5. Lalji Naranji, Esq., M.L.C.
6. Jehangir Bomanji Petit, Esq.
7. Honourable Mr. Lallubhai Samaldas, C.I.E
8. Ishwardas Lakshmidas, Esq.
9. Devidas Madhowji Thakersey, Esq.
10. Laxmidas Rowjee Tairsee, Esq.
11. B. F. Madon, Esq.
12. S. N. Pochkhanawalla, Esq.
13. S. B. Billimoria, Esq.
14. Motilal Kanji, Esq.
15. Fazal Ibrahim Rahimtoolla, Esq.
16. Mavji Govindji Sheth, Esq.
17. Gulabchand Devchand Javeri, Esq.
18. H. P. Mody, Esq.
19. Morarji Mulraj Khatau, Esq.
20. Vallabhdas Chaturbhuj Shivjee, Esq.
21. Walchand Hirachand, Esq.
22. M. V. Merchant, Esq.
23. B. Das, Esq., M.L.A.
24. Motilal Vallabhji, Esq.
25. Jamnadas Dwarkadas, Esq.

(Co-opted Members).

26. M. M. Amersey, Esq.
27. Kaikobad Cowasji Dinshaw, Esq.
28. Manu Subedar, Esq.
29. Prof. Khushal T. Shah.
30. Madhavji Damodar Thakersey, Esq.

(Ex-officio Member).

31. Chhotalal Kilachand, Esq. (Bombay Port Trust).

Rules and Regulations of the Indian Merchants' Chamber.

(As finally amended by the General Meetings of the Chamber held on 28th October, 4th November 1922, 23rd June 1923 29th September 1923 and 15th December 1923.)

Name. 1. The Association shall be styled "The Indian Merchants' Chamber."

2. The office of the Chamber will be situate in Bombay.

Objects. 3. The objects for which the Chamber is established are:—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative on any matter affecting trade, commerce, manufacture or shipping, banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other actions as may be conducive to the extension of trade, commerce or manufactures, or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

Members.

4. There shall be three classes of members:—(1) Ordinary, (2) Patrons and (3) Honorary.

(1.) There will be three classes of ordinary members:—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription; but Joint-stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subcription.

Admission Fee:—All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital

fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2.) Patrons :—Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3.) Honorary members :—Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*)—The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with the signatures of the proposer and the seconder, who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 A. M. to 4 P. M. (B. T.)

(*b*)—On the seventh day the ballot-box shall be opened at 4 P. M. (B. T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*)—At least one-tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*)—In all voting for election to membership the presence in the ballot box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if :—

(*a*) he becomes an insolvent,

(*b*) he fails to discharge his subcription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled

(*a*) To obtain gratis publications of the Chamber,

(*b*) To the free use of the Chambers's library,

(*c*) To vote at all meetings of the Chamber or on any matter referred to the general body of members by circular.

(*d*) To be elected as an office bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

(*a*)—To receive the annual report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*)—To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*)—To elect an auditor for the ensuing year.

(*d*)—To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting—and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting. There shall be held during the course of the year, in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General meeting of members may also be called whenever the Committee think fit ; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting.

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting, whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting

no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned Meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting, or the Vice-Chairman in his absen ce. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take the chair.

Voting at meetings.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Managing Committee.

15. At every Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Vacancy in the Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occuring during the year.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by his absence from Bombay without the previous permission of the Committee for a longer period than three months or by resignation shall be filled up by election from the remaining members of the Committee in accordance with rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary General Meeting.

Accounts of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meetings of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions

Sub-committees.

relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves, but they can have the assistance of the Secretary of the Chamber if they require it.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of members.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the lists of members submitted to members for the election of office bearers and representatives on the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the

receipt thereof nominations for Presidentship, Vice-Presidentship and membership of the Committee duly proposed and seconded shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for Presidentship or Vice-Presidentship will be *ipsofacto* recorded for his election as a member of the Committee. President and Vice-President shall be *ex-officio* members of the Committee.

The voting shall be by means of voting papers received in the ballot box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

This voting by ballot will be carried on in the following manner:—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned in the ballot box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one of them, the member or members who has or

have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it on the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be *ex-officio* members of the Committee if they are not already members of the same.

The new Committee shall have the power to co-opt, out of the general body of members, representatives of commercial associations or any members who, in their opinion, will prove useful to them for consultation, provided that the number of such co-opted members does not exceed five; and that the total number of the members of the Committee does not exceed 30.

Equality of Votes.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being, and a member of the Committee; in the absence of both the Chairman and the Vice-

Chairman cheques shall be signed by two members of the Committee. All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reasons it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendations of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Precedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this schem shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the diffe-

rence of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than 3 months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire shall be entiled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT.

1. The provision of Act IX of 1899 (Arbitration) will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state :

(*a*) The names of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators by the Umpire unless it is bad in the Law.

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifyiny his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitration make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire

who will make his award within the time prescribed by Rule XIV of the Court Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar within four days from the filing of the award give notice to the parties and when applied for give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

Schedule.

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act, and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923).

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber

at least 12 clear days before the date of the election giving particulars regarding the respective trade or trades of each member. Protests, if any, against the allocation of a member to a particular trade or trades will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters, should be members of the Chamber or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll, provided that candidates must always be Indians.

3. The Committee of the Chamber shall as and when necessary invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests :—

Trades	*Seats.*
Cotton	1
Piece-goods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number alloted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber, stating clearly which particular section he wants to represent for purposes of the election. No candidates shall be allowed to stand for more than one section.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two Scrutineers for the scrutiny of voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballot-box will remain open from 10 a. m. to 6 p. m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these Voting papers shall be first signed by members which shall be retained by the Secretary. The ballot box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p. m. (S. T.) on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will

be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed, excepting for the purpose of registering their own votes.

9. The candidate or, where there is more than one Trustee to be elected for the different sections, the candidates, not exceeding the number of Trustees to be elected, who has or have the largest number of votes shall be declared duly elected.

10 In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922).

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voters therefor, should be members of the Chamber or representatives deputed by member firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in confirmity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot box will be kept open from 10 a. m. to 6 p. m. (S. T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them duly filled in, in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p. m. (S. T.) on the date of the election the Scrutineers shall seal the ballot box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

THE INDIAN MERCHANTS' CHAMBER.

List of Magazines and Journals received in the Chamber's Library.

QUARTERLY.

1. The Indian Clerk.
2. Indian Economic Society's Journal.
3. Vishva Bharati.

MONTHLY.

1. American Review of Reviews.
2. Birmingham Chamber of Commerce Journal.
3. Bombay Law Journal.
4. British Export Register.
5. Cotton Spinning and Weaving Returns for Indian Mills.
6. Glasgow Chamber of Commerce Journal.
7. Harper's Magazine.
8. International Review of Agricultural Economics (Rome).
9. International Trade Developer.
10. International Labour Review.
11. Labour Gazette, Bombay.
12. Manchester Chamber of Commerce Journal.
13. Modern Review.
14. Overseas.
15. Sea borne Trade of British India.
16. Trade by Land of British India.

WEEKLY.

1. Board of Trade Journal.
2. Bombay Government Gazette, Parts I to V.
3. Calcutta Commercial Gazette.
4. Capital.
5. Commerce Reports (Department of Commerce, U. S. A.)
6. Commerce & Finance (U. S. A)
7. Economist.
8. Gazette of India, Parts I to V.
9. Indian Trade Journal.
10. International Crop Report (Rome).
11. London Chamber of Commerce Journal.
12. Manchester Guardian Commercial.
13. Statist.

GUJARATI.

Monthly.

1. Bhagyodaya.
2. Budhi Prakasha.
3. Chetan.
4. Digambar Jain.
5. Dnyan Vardhak and Masik Mitra.
6. Gujerat.
7. Khetiwadi Vignan.
8. Nav-Chetan.
9. Sahitya.
10. Yuga Dharma.
11. Vaidya Kalpataru.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907 to 1913 Mr. Manmohandas Ramji.

1913—14 Sir Purshotamdas Thakurdas, C. I. E., M. B. E., M. L. A.

1914—15 Sir Fazulbhoy Currimbhoy, C. B. E.

1915—16 Hon. Sir Dinshaw Edulji Wacha

1916—17 Hon. Mr. Lallubhai Samaldas, C. I. E.

1917—18 Late Sir Vithaldas D. Thakersey.

1918—19 Hon. Mr. Chunilal V. Mehta.

1919—20 Mr. Jehangir Bomanji Petit.

1920—21 Mr. Lalji Naranji, M. L. C.

1922. Sir Purshotamdas Thakurdas, C. I. E., M. B. E., M. L. A.

1923. Sir Fazulbhoy Currimbhoy, C. B. E. (From 24-2-23 to 3-9-23).

Mr. Devidas Madhowji Thakersey (From 4-9-23 to 25-1-24).

Secretary :—Mr. J. K. Mehta, M. A., M. L. C.

Assistant Secretary :—Mr. K. M. Desai. B. Com.

Representative of the Chamber on the Indian Legislative Assembly :—

Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M L.A.

Representative on the Bombay Legislative Council :—

Mr. Lalji Naranji, M.L.C.

Chamber's representatives on the Board of Trustees of the Bombay Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.
2. Mr. Devidas Madhowji Thakersey.
3. Mr. Chhotalal Kilachand.
4. Mr. Ishwardas Lakshmidas.
5. Mr. Lalji Naranji, M.L.C.

Chamber's representative on the Bombay Municial Corporation :—

Mr. Ishwardas Lakshmidas.

Representative on the Advisory Committee of the Bombay Development Department :—

Mr. Lalji Naranji, M.L.C.

Representative on the Advisory Committee of the Director of Industries :—

Mr. Manmohandas Ramji.

Representative on the Indian Central Cotton Committee :—

Sir Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.A.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay :—

Sir Purshotamdas Thakurdas, C.I.E, M.B.E., M.L.A.

Representative on the Advisory Committee of the Grant Medical College :

Mr. Manmohandas Ramji. (*Ex-officio*).

THE INDIAN MERCHANTS' CHAMBER.

Annual General Meeting.

The Sixteenth Annual General Meeting of the Chamber was held at the Office of the Chamber on Saturday, the 26th January 1924 at 3. P. M. (S. T.) to transact the following business :—

1. To receive the report of the retiring Committee and the audited statement of accounts for 1923.
2. To record the declaration of the result of the election of the members of the New Committee.
3. To appoint an Auditor for the ensuing year.

Mr. Devidas Madhowji Thakersey, retiring President of the Chamber, was in the chair.

The following members were present :—

Mr. Manmohandas Ramji, Hon. Mr. P. C. Sethna, Sir Purshotamdas Thakurdas, Messrs. Hansraj P. Thakersey, B. F. Madon, Fazal Ibrahim Rahimtoolla, Manu Subedar, Ishwardas Lakshmidas, R. M. Bhatt, Harjivan Valji, Madhavlal Makanji Luxmidas, K. M. Ramji, M. A. J. Noble, Jagjivan Gordhandas, Ranchhoddas Vallabhdas Kanji, Mansukhlal Oghadbhai, Meyer Nissim ; Vallabhdas C. Shivjee, Vishram Dhunji, Shah Vundravan Valji, Kaikobad C. Dinshaw, Walchand Hirachand, Morarji Hemraj, Gokuldas Ranchhoddas, Karsondas Kurji Dharamsy, Gokaldas Jivraj, Purshotam Laljee, Sankalchand G. Shah, Prahaladbhai Dowlatram, Jamnadas Harakji, Morarji Khatau ; M. P. Madon and others.

Speech of Mr. Devidas Madhowji Thakersey

In proposing the adoption of the Report, Mr. Devidas Madhowji Thakersey made the following speech :—

I have much pleasure in proposing the adoption of the Report

and the audited accounts and balance sheet of the Chamber for the year 1923 which has been already circulated amongst members and may be taken as read.

The increase in the work of the Chamber during these times will be seen from the fact that there were no less than 47 meetings of the Committee held during the year, excluding a very big number of meetings of several Sub-Committees. The number of principal items discussed at all such meetings and referred to in the Report of the Committee submitted to you was no less than 109 as against hardly a few dozen a few years back: These items included all the principal commercial and financial questions of the day so much so that I do not think it is at all an exaggeration to say that the Annual Report of the Chamber is a faithful chronicle of the financial and commercial history of the country. It is not without reason indeed that Mr. Gilbert C. Vyle speaking at a meeting of the Birmingham Chamber of Commerce referred to a modern Chamber of Commerce as a gilt-edged trade investment. It is true unfortunately that such an appreciation of the work of a Chamber of Commerce is not yet general even in the Western countries, much less so in this country where we are in the habit of counting results even of such institutions in terms of pounds, shillings and pence. Individuals are often observed to ask "how far has the Chamber worked to my individual profit." A Chamber of Commerce carries on its work for the community as well as for individuals but the latter do not feel the effects of such a work at once. In these times an individual has got very little chance of making himself heard and has to herd himself with his fellows for getting redress of his grievances even though they be genuine. Such herding together may take the form of Trade Unions with regard to Labour, Chambers of Commerce and Commercial Associations in the case of merchants, Federations of Industries in the case of industrialists and federations of employers to secure international cooperation and cohesive efforts. Such groupings have come to stay and it is wise statesmanship on the part of the Government as well as the people to recognise them and to utilise their services for the good of the country. It is late in the day now for the Government to ignore or treat with indifference Trade Unions or Chambers of Com-

merce or Federations of Industries. There are sometimes shortsighted attempts to run down the work of Indian Chambers and specially this Chamber as being inspired by "politics". I shall not quote the spirited attack made against this tendency last year by Sir Purshotamdas but I shall rest content with what your Committee said in their representation on the speech of the Finance Member at the Associated Chambers of Commerce: "they are sure such a hackneyed and well-exposed effort at prejudicing a just and fair difference of opinion at best between him and this Chamber will never weigh with the thinking section of the public." It is very difficult to say where pure finance and commerce end and where politics begin. The strong criticism which the Committee of this Chamber levelled against the Government currency and exchange policy of the last three years cannot be said to be political and yet the Finance Member tried to meet our criticism by tabooing it as political. Government instead of resenting such criticism should rather welcome it and miss no opportunity of consultation with representative commercial bodies. On the other hand the commercial community should develop this and other Chambers in different parts of the country and have a strong concerted Associated Chamber for Indian Chambers. The fact of our having made twice an attempt in this direction and failed should not discourage us in another attempt at securing a strong and united body of Indian Chambers fighting for the rights and privileges of Indian Chambers of Commerce and the Indian commercial community of which they are representatives. There is a strong and vital necessity also for having a body similar to the German and British Federations of Industries. An attempt was made in this direction three years back by the Bombay Millowners Association and employers from other parts of India, but it proved, so far as my information goes, abortive. Functions of this body were not conceived on a broad basis but were restricted to selecting representatives of employers at International Conferences. There is no organisation to do this work satisfactorily at present and Government nominate a representative of employers for the Labour Conferences held at Geneva after but half-hearted efforts to sound commercial and industrial opinion. If there are these two

all-India organisations started—Associated Indian Chamber of Commerce and Federation of Indian Industries-on systematic and proper lines it will not be long before we are able to get the finances of the Government of India moulded in the interest of Indian trade and industries and to put a stop to that mistaken and mishandled finance policy which has spelt such a disaster to this country.

The last year was pre-eminently a year of Committees and Commissions. Mercantile Marine Committee, Tariff Board, Royal Commission on Services, and Stock Exchange Enquiry Committee filled up a rather big programme. You must have read the evidence given by your Committee in the last issue of the Quarterly Journal of the Chamber which contains in full their views on all these questions. I do not propose to go into details of all this evidence but I may say that your Committee have been actuated throughout by the highest care and anxiety for the interests of Indian trade and industries. If the written evidence of the Committee is examined in this light it will be found that a definite lead has been given to the Indian commercial community with regard to vital and burning problems affecting them. Shipping, banking and insurance are the pillars of modern trade and industry and recognising this the Committee have urged with all the force they can command that the development of Indian shipping must be helped forward by the State as a fundamental and primary duty. You must have read the sophisticated reasoning of a large number of non-Indian witnesses before the Mercantile Marine Committee that India need not have any shipping of her own, for forsooth, her interests are well served by British shipping companies! Such a reasoning presupposes that India is destined for ever, even in commercial and industrial fields, to remain entirely dependent upon Great Britain and that she cannot entertain any ambitions and ideals beyond this as a member of the British Empire. We may well contrast with this the attitude of British industrialists and shipping companies when there is the slightest sign of shipping of any other country threatening to compete with the shipping of the United Kingdom. Apparently what is good for the United Kingdom is not always good for this country. This same spirit characterised the evidence of non-Indian

witnesses before the Tariff Board and Public Services Commission. Iron and Steel Industry is considered a key industry in all civilised countries and the unofficial Tariff Commission of the United Kingdom also emphasised the same aspect in their report. It is remarkable that even in such a highly developed industrial country like England a powerful section of the public requires protection for her industries. Much more is this necessary for India. It was seen during the period of the war that had it not been for the indigenous supply by the Tata Iron and Steel Company the situation in this country would have become extremely critical. It is this key industry however which is threatened with extinction by the heavy low-priced imports from the Continent and the United Kingdom, to much of which the word *dumping* may well be applied. Anglo-Indian Chambers of Commerce and merchants try to give a veneer to their attitude by the too thinly veiled pretence that they are speaking in the interests of consumers, specially the agricultural classes of whom they consider themselves self-constituted guardians. It is now time that all this talk of any commercial community having the interests of ryots at heart more than the children of the soil themselves should stop. Evidence of non-Indian witnesses before the Royal Commission is still more significant of their real attitude with regard to the progress of this country in all possible directions. The only real test of any such evidence is whether it is intended to make India mistress in the real sense of the word of her own house. Whether in the matter of shipping, or Tariffs or Public Services the laying down of the future policy must depend on India alone and be in consonance with her best interests. Any other considerations have no place in deciding the issue and should be ruled out I only hope before I deal with another item that reports of these Committees and Commissions will not meet the same fate as reports of many of the previous Committees. It has been found that Government are anxious to put into effect those recommendations which are suited to them as in the case of the report of the Babington-Smith Currency Committee and the Indian Railway Committee but recommendations which are in the public interests are several times shelved in the pigeon holes.

With regard to the currency and exchange policy followed in this country the attitude of the Government seems to be far from sympathetic. Your Committee strongly criticised the recent announcement with regard to the sale of gold which was entirely opposed to sound currency policy and in breach of authoritative pronouncement that India had been put on a gold standard. To all such criticism coming from a responsible public body like this Chamber, the Government had no other reply to give than to say that "they had nothing to add to what the Honourable Finance Member said at the meeting of the Associated Chamber of Commerce." A reply is now sent to this speech of the Finance Minister wherein we have shown how the Government of India have again departed from the wise course which should govern the regulation of all such currency and exchange matters. The Committee have been charged in some quarters as having been bitten by a gold bug. No reply is given however to the pertinent question of the Committee why if all the arguments of the Honourable the Finance Member were sound, practical action was not taken in England itself and instead of gold being sold when the cross rate was as low as about 3-20 in February 1920, the Bank of England held in its Issue Department £103 million in gold and a further £23½ million in the Treasury Note Reserve. Here too is being demonstrated the working of that same policy to which I referred in the beginning, that what is good for England is not always regarded good for this country. Your Committee continued to protest against the continuance of the two shilling Rupee though all reasons for it had long since disappeared if they at all existed at any time. It is indeed a curious irony that while the Honourable the Finance Member admits that the two shilling rate is fictitious he does not sympathise with the suggestions of the Committee regarding reversion to the pre-war ratio in our Coinage and Paper Currency Acts, inspite of the fact too that he and his eminent colleagues laid down at the International Economic Conference at Genoa in 1922 that there were undoubted advantages to be obtained by a return to pre-war parity. All this points to but one conclusion that the control of finance must be in the hands of the Indian Legislature, and that no advance is possible in the

economic advancement of the country till Government can flout the wishes of the people in financial matters. It is but a truism to say that finance is the hub of every Government. What is to be feared is that while we are engaged in controversies on comparatively small matters, mishandling of the financial policy may result in loss to the country of crores of rupees and that in future the country may find itself heavily indebted and depleted of its resources. We have in Sir Purshotamdas, representative of the Chamber on the Legislative Assembly, a tried and courageous fighter and we can look to him to get wishes of the Indian commercial community responded to in this respect.

Before I conclude I should like to say that the financial condition of the Chamber has improved as a result of retrenchment effected and increase in subscriptions. I should like to appeal to Commercial Associations and firms to join this Chamber in bigger numbers. Such an appeal will not be deemed out of place when even British Chambers of Commerce with more than five thousand members are not satisfied with their numbers and appeal to the commercial community to join in larger numbers. As retiring President let me congratulate you on your choice of the President of the Chamber for the new official year. Mr. Manmohandas Ramji may truly be said to be the father of the Chamber and his consenting to bear the burden of the office even at his age shows his readiness to sacrifice his time and convenience for the good of this institution. With Mr. Manmohandas Ramji as President and the Honourable Mr. Sethna as Vice-President I am assured of a record of good work for the Chamber during the current year.

Before concluding, I cannot help alluding to the cordial cooperation of your Committee and thanking them for same and to the assistance which our energetic Secretary and his staff have rendered to me in the discharge of my arduous duties during my term as your Chairman which I greatly appreciate.

With these words, Gentlemen, I propose the admission of the Report.

SPEECH OF Mr. MANMOHANDAS RAMJI.

Mr. Manmohandas Ramji, newly elected President, seconding the above proposal said :—

Let me thank you and members of the Chamber in the first instance for electing me as President of this Chamber for the new official year. I am obliged to you, Sir, for the kind way in which you have referred to me in your presidential address. It is natural that I should love the institution in the establishment and development of which I had my humble share and I am sure we shall be able, with the help of you all to carry out the responsible work of the Chamber. As my immediate predecessors must have seen, the work of the President of the Chamber now-a-days is not a soft job. In fact as time passes the work is becoming still more responsible and the gentleman who occupies the Chair of this Chamber may be called upon in future to devote a still larger portion of his daily time to it.

I expect that the Committee will be called upon to consider among other questions the important questions being considered by the Government at present viz. currency and exchange policy, the annual budget deficits, the policy to be adopted with regard to shipping, questions of general tariffs and protection to Iron and Steel, development and readjustment of the Stores Department, etc. The Indian Mercantile Marine Committee may be expected to submit their report to the Government before the close of the coming sessions and there are important shipping bills before the Assembly. I hope that the Assembly will decide these important shipping questions in a manner consonent with the wishes of the people, which are by this time fairly well known. India in common with the rest of the world is passing through a grave period of depression and though there are several times cries of "the dawn is near", there are no visible signs as yet for the long and gloomy hours of the night to pass away. It is useless to speculate as to the causes, the tendencies, the possibilities and the likely remedies for the depression when so many abler minds than mine nave attempted the task and met with failure. To take only one instance, the course of the

exchange between India and England or the dollar sterling exchange, not to mention other foreign exchanges, has become so elusive as to daunt the courage of even a bold prophet. Several Commissions and Conferences have been held to solve this modern riddle of the Sphynx and yet one conference has gone the way of the other in leaving the problem even more complicated than what it was before it handled it. The European situation has its natural percussion out here and we have therefore to watch with anxious interest as to what the new Labour Government achieves with regard to the clearing up of the muddled situation in Europe. England is faced with her unemployment problem and the disaffection of her working population mainly as a result of the misadjustment between production and consumption. India is faced with no less a serious problem in the shape of the acute depression in the cotton mill industry, the premier industry of Western India. Hundreds of thousands of people are dependent upon this industry and it will be a big disaster if the depression in the mill industry becomes still more acute and some of the mills are obliged to close down. With the prices of cotton abnormally high and the increase in wages about 200 parcent higher than they were in the pre-war period the prospects for the mill industry cannot be considered too rosy. These factors by themselves however would not have been so disconcerting had it not been for the almost total lack of demand in the consuming centres of the country. It is evident that people have curtailed their clothing requirements since the war period and depression in trade coming as a reaction against the short-lived boom period has further dislocated the whole business. To my mind millowners should at present try to tide over the period by concentrating their attention both on the production of coarser and finer yarn and finer piecegoods. Efforts must be made at the same time to change the tastes of the people in order that they may use coarser cloth in preference to finer varieties of piecegoods, so that the competition of Manchester may be met in quicker time. The Swadeshi movement now going on in this country has done something in this direction but much more still requires to be done. I am sure that Indian mills can satisfy all the indigenous requirements of the population in the matter of piece-

goods if attention is paid to the production problem and t e question of rates, and propaganda is side by side carried on for Swadeshi. Behind all these questions of trade and industries however is the question of finance-finance, not merely commercial and industrial, but also public. It is imperatively necessary that the Government of India and the Provincial Governments should leave off the old policy of high administrative expenditure and take to adopting a policy of severe retrenchment. India is burdened with a huge military octopus. The International Financial Conference held at Brussels in 1920 affirmed that the world cannot afford to spend even 20 percent of the national expenditure on armaments which was the average spent by different countries under this head. But India is spending nearly 50 percent of her revenues on the army and unless she is relieved of this huge burden by reducing it to atleast 20 percent there is not much hope for the economic salvation of the country. The loan programme of the Government has also in recent years been heavily increased. There were reasons for that during the war period but heavy borrowings for loan works have continued even after the war with the result that the interest for these loans has increased from the pre-war average of 3½ percent to 4 percent in 1915-16, to 4¼ % in 1916-17 and 5 % thereafter, besides some amounts borrowed on 3, 5 or 10 year Bonds at 5½ % and the Bombay Government Development Loan was issued three years back at 6½ % and the Government of India loans at 6 %. The heavy borrowings of the Government as compared with pre-war years will be seen from the fact that while the total Public Debt registered in India increased from Rs. 1,34,56,60,505 in 1908-09 to Rs. 1,45,68,55,790 in 1913-14, that is during a period of five years in pre-war days, it rose from Rs. 1,99,06,53,494 in 1918-19 to nearly Rs. 370 crores at the end of the last financial year. It means that on account of the heavy borrowing programme of the Government the rate of interest has continuously increased which has affected borrowings for commercial purposes to a very large extent. It is because of all this that I say that a rational and uniform policy is necessary to be adopted with regard to the Loan programme. It is a curious anomaly that while rich countries like the United States and the United Kingdom have

already begun to think of reducing their taxation, a poor country like India has not been given the benefit of any reduction in the taxation but on the contrary there is an increase every year.

With these words I support the proposal already made for the admission of the report of the Committee of the Chamber.

HONOURABLE MR. PHIROZE C. SETNA'S SPEECH.

Honourable Mr. Phiroze C. Sethna, Vice-President of the Chamber further supporting the proposal said :—

Mr. President and Gentlemen,

I have much pleasure in supporting the proposal for the adoption of the report now placed before you. Little is left for me to add to what has fallen from the President who has at length dealt with the principal items considered by your Committee during the year under review. I would however like to say a few words in regard to one or two items. There is first of all the question of the status of Indians overseas which the Committee have throughout seriously and earnestly considered. In fact almost at the commencement of the last official year a resolution was passed at an Extraordinary General Meeting of the Chamber requesting its representative on the Legislative Assembly to move in that body what was known as the retaliatory resolution. This resolution was not moved because it was not drawn in the ballot but the mere giving of notice of this resolution was the means of giving a lead to practically the whole country and shaped the policy of the people's representatives in the Legislature.

The retaliatory Bill introduced by Mr. Seshagiri Iyer and passed by the Legislative Assembly was practically based upon this resolution. Whatever divergence of opinion there may be among the different sections of the population on various subjects there is certainly no difference whatsoever with regard to the attitude to be taken up both by the Government of India and the people in the matter of treatment meted out to Indian immigrants and Indian

settlers in other parts of the Empire. The Kenya decision was the climax as it were of the whole situation. The question was and even now is how to meet this situation. Retaliation is one form of protest and I hope that the Council of State will accept Mr. Seshagiri Iyer's Bill already passed by the Lower House. We ought to deal with each part of the Empire as it deals with us. The Rt. Hon. Srinivasa Sastri after first-hand knowledge has told us that the lot of the Indian in New Zealand and in Australia is fairly satisfactory and there is evidence of a desire on the part of those Governments to treat him on a footing of equality. In Canada it is only one out of eight provinces which is inimical to Indian interests and I can say from personal knowledge and close business relations that the rest of the country is only too willing to further the recommendation embodied in the famous resolution passed at the Imperial Conference of 1921. South Africa is the stumbling block and the greatest sinner. If South Africa is determined to harm the cause of the Indians amongst them can we be blamed for proposing the strongest measures of retaliation against them? The Kanya decision was obviously influenced by the white settlers of South Africa for it is very doubtful if the Imperial Government would have yielded had there not been the hidden hand of General Smuts behind the preposterous claims put forward by the white settlers of Kenya.

It was feared when the Kenya decision was announced that the Governmont of Kenya Colony would not allow the grass to grow under their feet before they pushed forward anti-Indian legislation in the matter of immigration. Our fears have unfortunately come too true and the proposed draft of the Ordinance laying down the terms and conditions for immigration is tantamount to closing the doors against Indians altogether. Your Committee have already sent a protest against this Ordinance but there is no doubt that all such protests will be disregarded and the anti-Indian policy carried out to its bitterest extent. On the heels of the Kenya decision comes again the announcement of the South African Class Areas Act of 1924 and the Hewlett's Ordinance, which practically means that Indians shall not be allowed to own land in the districts to

which this legislation applies. In this connection I join whole-heartedly in the protest lodged by the Times of India at the inaction of Government in not publishing for the information of the Indian people the Class Areas Act of 1924. All that is happening in Kenya and in South Africa leads to but one conclusion that the white people there are moving heaven and earth to hound out the Indians who are already there and to close the door against their future admission. The solution of the whole Colonial question requires the highest statesmanship which the British Government can put forward. An incessant and persistent agitation should be kept up by us so that the British Empire may recognise the fact that the citizenship of the British Empire in order to be appreciated should not have any limitations in the shape of colour or race.

Your Committee considered during the course of the year the question of the purchase of Stores which they have practically made their own during the last three years. The Legislative Assembly adopted the resolution of the late Sir Vithaldas Thakersey with regard to the purchase of Stores in the cheapest market. The High Commissioner for India is supposed to be acting under the Government of India and the limitations imposed by this resolution. Notwithstanding this it is found from six-monthly statements issued by the High Commissioner that some orders which might have gone elsewhere were still placed with British manufacturers although their prices were higher. More than this although it is well known that the present production of Indian cement is larger than the demand and although it is equally good standard yet orders have been placed for British cement. We have drawn the attention of the Government of India to such instances and have discussed them personally with the Honourable Member in charge of Industries and Labour. Your Committee are convinced that the only real remedy lies in having the whole of the Stores Department located in India and inviting tenders to India and in Rupee Currency, the High Commissioner for India to act as a ceremonial official and as a sort of a Post Office for despatching tenders from the United Kingdom to this country. We are assured by the Government of India that the establishment of the Stores Department from 1922 is but the first

step towards the realisation of this policy with which they expressed themselves in full sympathy. The wheels of Government move however slowly and what we want is that our suggestions should be translated into action in as quick a time as possible so that India may not have to purchase articles worth crores of rupees from foreign countries and the United Kingdom and that too sometimes at rates which are not the cheapest of all the rates offered. In this connection you will have read only four days ago in the newspapers some remarkable evidence given at Delhi by the Officiating Chief Controller of Stores before the Tariff Board. With the proper solution of the question of this purchase of Stores is associated the development of industries and if Government want to translate into action even at this late stage recommendations of their own Commissions and Committees and findings from practical experience of the Munitions Board, suggestions made by your Committee should be accepted. I do not wish to detain you longer but before I sit down I must thank you cordially for the confidence you have reposed in me by electing me as Vice-President of the Chamber once again.

After some discussion, the report was unanimously adopted. The Secretary then announced the result of the ballot for the Chairman, Vice-Chairman and the Members of the Committee.

After appointing Mr. Devidas Vithaldas as the auditor for the next year and after a vote of thanks to the retiring Committee and the chair the meeting terminated.

REPORT OF THE COMMITTEE

OF THE

INDIAN MERCHANTS' CHAMBER

for the year 1923 presented to the Annual General Meeting of the Chamber held on 26th January, 1924.

Your Committee have pleasure in presenting the Sixteenth Annual Report of your Chamber. During the course of the year 45 meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads :—

(*a*) Railways and Shipping; (*b*) Currency, Exchange, Finance and Economics; (*c*) Government Stores Purchase Policy; (*d*) Tariffs and Taxation; (*e*) Colonial Questions; (*f*) Public Enquiry Committees and Commissions. (*g*) Trade and Industrial Legislation (h) General Trade and Industry (I) Interviews with Government Officials (g) General.

(A) RAILWAYS AND SHIPPING.

(a) Railways:—

1. Concessions to commercial travellers :—

This question originated with the proposal of the Madras and Southern Mahratta Railway to reduce first class fares on their railway for representatives of firms travelling on business. The Committee of the Chamber while agreeing in the main with the proposal of the M. & S. M. Railway stated that it would not be taken advantage

of by Indian business firms unless the proposed concession extended to journeys by second class as well. The Committee also wrote separate letters to the Bombay Baroda and Central India Railway and the Great Indian Peninsula Railway requesting them to adopt similar concessions on their respective railways. The replies received from these railways disclosed the fact that a diversity of system obtained on them with regard to concessions to commercial travellers and with a view to bring uniformity in these rules amongst all railway administrations in India the Committee of the Chamber sent a representation to the Government of India, Railway Board, urging upon them the necessity for introducing uniformity of procedure on all the Indian railways with regard to such questions and requested them to take up the question with the different railway companies in India. In reply a letter was received from the Railway Board stating that they did not ordinarily deal with concessions of that sort which were left to the discretion of agents of individual railways. It was however suggested that the matter might be referred to the Secretary, Indian Railway Conference Association. The Secretary of the Railway Conference Association being approached on the subject replied to the effect that the Association had no powers to induce my individual railway to grant concessions and that unless the support of a particular railway which was a party to the Association could be obtained to the concession in question it would be useless to refer it to the Conference. It was resolved to record this letter.

2. Local Railway Advisory Committee :—

A letter was received from the General Traffic Manager, B. B. & C. I. Railway, No. T.32 18-7723 on the subject of establishment of the above Committee. The number of members of the said Committee was to be decided by circumstances subject to a maximum of 12. The Agent was to be ex-officio Chairman, 5 of the members were to represent Industries, Commerce and Trade. The functions of the Committee were to be purely advisory. The Chamber was requested to nominate one member as its representative on the proposed Committee. Accordingly the Honourable Sir Purshotamdas Thakurdas, Kt, C. I. E, M. B. E., was nominated.

3. Up and Down Bombay-Peshawar (Punjab) Mail and Gujarat Mail :—

At the request of one of the members of the Chamber a letter was addressed to the General Traffic Manager, B. B. & C. I. Railway, drawing his attention to the great inconvenience suffered by the Indian people reaching Bombay by the Punjab Mail as it did not halt at Grant Road. As the majority of Indian travellers arriving by that train resided in the Indian localities they had to come back with their luggage from Colaba to their respective places of residence in the above mentioned localities being thus put to great inconvenience and also to unnecessary expenditure. Under the circumstances he was requested to be good enough to take early steps to stop the Punjab Mail at Grant Road. In reply the General Traffic Manager, B. B. & C. I. Railway, regretted that he could not accede to the Committee's request. The Committee again addressed a letter (No. T. 849, dated 8th August 1923) stating that they were sorry that he had chosen to write in reply to their very urgent demand a short letter saying only that he could not stop the Punjab Mail at Grant Road. No reasons were vouchsafed by him in support of that statement which appeared to be the final decision on his part. The Committee therefore again approched him with a request that the Punjab Mail trains should be stopped at Grant Road Station in the interests of the convenience of the commercial community.

A letter was thereafter received from the General Traffic Manager, B. B. & C. I. Railway stating that with effect from 5th November arrangements had been made to stop the Down Gujarat Mail train at Grant Road. He also proposed to time the Up Gujarat Mail into Bombay at about 8-30 from 1st March 1924 from which date the Up and Down Bombay-Peshawar Mail trains would be booked to stop at Grant Road.

4. Delays in transit of goods by Railways to up-country stations :—

The attention of the Committee was drawn to the inordinate delays in the transit of goods to important upcountry stations like Delhi and Cawnpore. They therefore addressed a letter to the

General Traffic Managers of B. B. & C. I. and the G. I. P. Railways drawing their attention to these inordinate delays and expressing surprise that while the ordinary period was in normal times 6 to 7 days and in war-times about a fortnight, the period now occupied was more than a fortnight. Such a delay in carrying goods from Bombay to upcountry stations was extremely injurious to the interests of trade and commerce. In reply the General Traffic Manager B. B. & C. I. Railway stated that as for delays to goods for Delhi the matter was under enquiry but that it did not require much enquiry to enable him to make an emphatic denial of the Committee's sweeping assertion that it took more than a fortnight for goods to reach Delhi. There might be some cases where such a period was occupied over this journey and he requested the Committee to quote specific instances. In continuation the General Traffic Manager, B. B. & C. I. Railway informed the Committee that he had checked journeys of 20 wagons selected at random from Carnac Bridge to Delhi which arrived at Delhi within 5 to 12 days. In reply the Committee enclosed a statement supplied by one of the members of the Committee of the Chamber showing the time taken by goods consigned from Bombay to Delhi over the B. B. & C. I. Railway. The statement showed that the time taken varied from 9 to 26 days. In two cases the time occupied was as long as 26 and 23 days and in other two cases it was 19 and 18 days respectively, while the time varying from 13 to 15 days was by no means infrequent. The Committee felt that such delays were inordinate and requested the Railway authorities to take early steps for shortening the period of transit. The matter is yet under correspondence.

5. Shortage in consignments of Ghee on Railways:—

The attention of the Committee having been drawn to the above a letter was addressed to the General Traffic Managers, East Indian and the Great Indian Peninsula Railways quoting specific instances of huge shortage in tins of Ghee coming into Bombay by rail from the mofussil. It was stated that the Committee were informed that whenever shortage was appreciable and the merchants lodged their claims the railway companies put forward the plea that tins were robbed from the running trains or that the loss was

due to circumstances beyond their control and repudiated the claims on the strength of Risk-note "B" held by them. But it was pointed out that tins of Ghee were brought into Bombay in covered wagons properly sealed at the place of consignments and consequently robbery from running trains was extremely improbable, if not impossible. It was also pointed out that at times tins full of oil or water or even empty tins without any number or marks were substituted for those full of Ghee and merchants were compelled to take delivery of same as the railway companies did not pay any heed to such complaints. The Committee therefore requested the railway authorities to take early steps to put a stop to such an undesirable state of affairs. In reply the General Traffic Manager, G. I. P. Railway stated that he was sorry that recently they had a few cases of very huge shortage in consignments of Ghee and the matter was being specially investigated by the Superintendent, Government Railway Police, Poona. The Railway authorities were doing all they could to prevent thefts and he assured the Committee that it was their endeavour to fulfil their obligations as carriers to the best of their ability. As regards running train robberies it was stated that each case was very carefully gone into and when the railway authorities were satisfied that the loss was due to a running train robbery they took their stand on the risk-note. As regards Committee's complaint that tins of oil or water or empty tins were substituted for tins of ghee it was stated that they paid claims in cases of exchange in transit which had been established against the railway. The General Traffic Manager, E. I. Railway stated that they were doing all that was possible to put a stop to such distressing thefts in transit over the railway and the matter continued to receive attention.

(Vide also items 30,39).

(b) Shipping.

6. Establishment of a Nautical School for Lascars:—

The Shipping Master, Bombay, invited the views of this Chamber on the above question and enquired whether the shipping firms would undertake to provide the necessary funds. The estimated cost of

the School was approximately Rs. 3000 a year. In reply the Committee stated that they were in favour generally of the Scheme of establishing a Nautical School and forwarded a cheque for Rs. 1000 sent by the Scindia Steam Navigation Company, Limited, being their contribution towards the cost of the establishment of the above School.

7. Renewal of the Eastern Mail Services Contract with the Peninsular and Oriental Steam Navigation Company :—

The Committee of the Chamber carried on a lengthy correspondence in the previous year with the Government of India who in one of their replies stated that the British General Post Office undertook to give them an opportunity of expressing their opinion on the tenders for the carriage of mails when received but the contract would probably cover the conveyance of mails to several other countries besides India and would be granted by the General Post Office on behalf of the various administrations concerned. With a view to enquire into the matter further the Committee of the Chamber requested the Government of India to supply to them the figures for the subsidies received by the P. & O. Company from various Eastern countries that enjoyed the benefit of the Mail service. In reply a letter was received from the Government of India, Public Works Department, stating that under Clauses 34 and 36 of the Eastern and Australian Mail contract the total subsidy payable was £295,000 per year. The resultant charges were calculated for the period 1912-1915, as follows :—

India £53,256; Ceylon £1,643; Straits Settlements £12,541; Hong Kong £2,322 and United Kingdom £208,181.

In the letter it was also stated that the British General Post Office took strong objection to the present system of division which they considered to be unduly favourable to India.

In reply the Committee addressed a letter stating that they were firmly of opinion that the time limit of the contract with the P. & O. Company or any other company for the carrying of Indian mails should not be for more than a period of 5 years as the Government themselves had appointed the Mercantile Marine Committee in response

to the demands of the Legislative Assembly and if this Committee carried on its work in the right spirit and its recommendations after getting the approval of the Legislature were put into operation by the Government of India there was no cause for pessimism and there was no reason to believe that India could not have a shipping of her own. Secondly, it must be made one of the fundamental terms of any such contract that Indians must be employed in the higher ranks as far as available and that there must be full scope for Indians being trained as apprentices in the different branches of the mercantile marine service. The Committee were also of opinion that terms of any such contract should be submitted to the Legislatures first. They regretted that they could not agree that advice and assistance of individual members of the Legislature should be considered to suffice for the purpose. The matter is yet under correspondence.

8. Assessment of Tramp Steamers :—

The Government of India, Finance Department, enclosed for the opinion of the Chamber a copy of their circular letter addressed to all the Chambers of Commerce No. 66s., dated 14th July 1922, regarding a proposal to assess tramp steamers to incom-tax. The Committee in reply drew the attention of the Government to similar taxes levied in other parts of the Empire, for example, Australia and South Africa and submitted the following suggestions for the consideration of the Government of India.

1. The Committee are entirely agreeable to the suggestion that tramp steamers should be taxed ;

2. The most practical methods of levying the tax would be to demand income tax on 10 per cent. of the gross Indian receipts which should be required to be paid up prior to the clearance of the ship ; and

3. The existing system of taxing the profits of ships owned by persons or companies abroad who have regular agents in this country needs to be changed and the Committee were of opinion that it should be brought in conformity with their suggestion made in paragraph No. 2.

9. Question of giving pratique by wireless in the Suez Canal :—

A letter was received from the Government of Bombay, General Department, enclosing copy of a letter from the Government of India, Department of Commerce, No. 3334, dated 13th June 1923 on above subject, requesting the Committee to send their opinion. The Government of India letter stated that at one of the meetings of the Technical Committee of the International Sanitary Convention a note prepared by the authorities of the Panama Canal on the system which had been developed there of giving in certain cases pratique by wireless was presented and the Government of Bombay were requested to consult commercial opinion as to whether the introduction of a similar system in the quarantine methods of the Suez Canal would be feasible and advisable from the commercial standpoint. In reply the Committee approved of the proposal for giving pratique by wireless in the Suez Canal.

10. Proposal to amend the Indian Merchant Shipping Act, 1923, in order to take power to levy fees for inspection of wireless telegraphy installations on ships :—

A letter was received from the Offg. Port Officer, Bombay, enclosing an extract from a letter from the Government of India, Department of Commerce, No. 4109, dated 1st August 1923, and asking for the Chamber's opinion on the above proposal. It was stated in the above extract that it had been decided in the United Kingdom to charge fees from £1 to £4 for the inspection of a vessel's wireless telegraphy installation which was found to be defective or without its proper compliment of certificated wireless operators and watchers. The Government of India were of opinion that a similar practice might well be followed in India and that the result could most simply be obtained by taking power to charge fees ranging between Rs. 15 and Rs. 60 for the certificate required under section 243 (4) of the Indian Merchant Shipping (Consolidation) Act. In reply the Committee stated that they did not approve of the suggestion as it would add to the already heavy expenditure which had made shipping during the last few years a very unprofitable business. The proposal again did not

discriminate between ships that carried out official requirements and those that did not. A discriminatory measure of the type prevalent in the United Kingdom and referred to in the letter of the Government of India charging fees only on ships with defective installation would atleast in theory prove less objectionable. In case of the present proposal, however, it would affect all the ships whether with defective installation or not and thus handicap shipping on the Indian Register in their competition with ships on British Register. The Committee therefore could not approve of the proposal in question.

11. Prevention of Deferred Rebates Act-Draft Bill :—

A letter was received from the Government of Bombay, Marine Department, inviting the opinion of the Chamber on the provisions of the draft bill regarding prevention of Deferred Rebates Act. In reply the Committee informed the Government of Bombay that they approved of the general principle underlying the said Bill.

12. Report of the Imperial Shipping Committee on Deferred Rebates :—

A letter was received from the Government of Bombay, Marine Department, enclosing a copy of the final report of the Imperial Shipping Committee on the Deferred Rabate system. The Government of India were informed that the report might be placed for discussion before the Imperial Economic Conference which was to meet on the 1st October 1923. The most important questions which required to be answered were the following:

(1) *(a)*. That the Conference system must be accepted as a necessary concomittant of modern commerce. (paragraph 33 of the Report);

(b). That it is necessary for conference to have some assurance of continuous support from shippers such as will constitute an effective method of preventing intermittent and irresponsible competition for berth cargo by outside ships. (paragraph 40 of the Report);

(c). Therefore legislation to declare both Conference and the deferred rebates system illegal is not advisable.

(2) (*a*). That the agreement system should be given to shippers as a running option to the deferred rabate system, as explained in paragraphs 49 and 50 of the Report;

(*b*). That on every trade route shippers should be encouraged to form representative associations; and

(*c*). That for purposes of conciliation and arbitration an Imperial Shipping Board should be set up in London to enquire into complaints about freights and facilities and to mediate between the different interests concerned.

In reply the Committee stated that the arguments advanced by the Imperial Shipping Committee to establish their main conclusion viz, "the deferred rebates system is plainly open to certain objections and although the agreement system is equally open to objections we recommend that it should be given to shippers as a runing option" were not only not convincing but were halting and disappointing. Regularity, frequency and efficiency of services which the Imperial Shipping Committee laid down as the special features of the Conference did exist in places where there was neither any Conference nor any system of deferred rebates. As regards their contention that the Conference system stabilised freights and prevented them from rising beyond the normal level, the Committee felt that the evidence tendered before them led to a contrary conclusion. The Conference system did not care to develop trade between small ports. Another important point on which the Imperial Shipping Committee laid emphasis was the fact that the shippers belonging to the Conference did not carry any cargo on their own account. This no doubt was a fact but the Committee strongly held that it was hardly a count in favour of the Conference system because large and influential importing and exporting firms had been found as agents of the lines forming the Conference at ports of great importance. The special advantages which the Imperial Shipping Committee had advanced as a special feature of the Conference system did not exist in fact and consequently the Committee could not agree with the conclusion arrived at by the Imperial Shipping Committee that the Conference system must be accepted as a necessary concomittant of

modern commerce. The Committee on the other hand strongly believed that the Conference system tried to drive away all new comers from the field and thus became a strong deterrent against all healhy and legitimate competition. The Committee were not in favour of the Conference system. They had carefully considered the effects of the deferred rebates system both on trade and shipping and had strongly supported the Bill introduced into the Central Legislature by Mr. Sashagiri Iyer to declare that system illegal. They, however, were not prepared to go to the length of recommending any legislation to declare the Conference system by itself illegal once it was shorn of its most mischievous feature, the deferred rebates system. Finally the Committee regretted that the Imperial Economic Conference was only going to consider the question of Conference and deferred rabates solely in respect of the inter-Imperial trade and thought that the Imperial Economic Conference would have been well advised to include in their deliberations the way in which the coasting trade of a country was also affected by these two systems.

13. Deferred Rebates and the Manchester Guardian Commercial :—

The attention of the Committee was drawn to a paragraph regarding the Deferred Rebate system which appeared in the above paper in its issue of 24th September 1923 in which it was stated that the Government of India had notified the authorities in England that India's representatives at the Imperial Economic Conference had been instructed to act in accordance with the spirit of a resolution passed by the Bengal Chamber of Commerce declaring that the Conference system must be accepted as "a necessary concomittant of modern commerce." The Committee therefore requested the Government of India, Department of Commerce, to let them know how far this statement was correct. In reply the Government of India stated that they consulted maritime local governments and commercial bodies on the subject in order to obtain their views before instructing the representatives of India as to the attitude they should adopt at the Imperial Economic Conference. The replies received were so diverse that the Government decided to instruct the representatives to refrain

from expressing any definite opinion. The statement quoted therefore was incorrect. A press-note to the effect was issued and also the Editor of the Manchester Guardian Commercial was informed accordingly.

14. Restrictions on free import of dutiable goods at certain ports in Kathiawar by country crafts :—

A letter was received from the Secretary, the Buyers and Shippers Chamber, Karachi, stating that, that Chamber had applied to the highest Customs authority in Sind, viz: the Commissioner in Sind, for the amendment of Notification No. 455, dated 7th October 1918 regarding the above restrictions. It was added that the question did not affect the ports of Kathiawar alone but the whole of the Bombay Presidency as well. They had suggested an amendment viz: "that transhipment of dutiable goods in ports in Kathiawar may be permitted in country crafts on the applicants entering into a bond as required by section 128 of the Sea Customs Act." The Committee were finally requested to approach the Government of Bombay for the necessary amendment. A letter was accordingly addressed to the Government of Bombay, Revenue Department, asking for a copy of the said notification and requesting to be informed of the reasons which led the Commissioner in Sind to issue the same. In reply the Government of Bombay supplied a copy of the said notification and stated that the object of restricting the privilege of free transhipment of dutiable goods to goods carried in steamers to the ports in question was to guard against possible loss of revenue that might be caused by the goods being smuggled ashore along the coast between the port of transhipment and destination.

In reply the Committee stated that they were of opinion that the restrictions which were imposed by the Government order dated the 7th October 1918, No. 455, might have some justification when conditions were uncertain owing to the prevalence of the war but that now there was apparently no reason for the continuance of this order. They therefore requested the Government to rescind the order under reference as they were informed that it was causing

much loss to the country crafts. In reply the Government of Bombay, Revenue Department, stated that the reasons already communicated to the Chamber in their previous letter for putting certain restrictions on free shipments of dutiable goods still held good and that cases had recently come to light which showed the necessity of continuing these restrictions. It was resolved to record this letter.

15. Measurement of country crafts :—

A letter was received from the Buyers and Shippers Chamber, Karachi enclosing for the information of the Committee a copy of their representation addressed to the Secretary, Country Craft Committee, in connection with the system of measurement of country crafts. In the representation it was pointed out that the system of measuring country crafts now in force was very prejudicial to the craft-owners because (1) the crafts measured according to the present system and remeasured according to the universal system of the Board of Trade Rule No. 1 had shown that the tonnage worked out according to the present system was much greater than that worked out according to the said Rule which was accepted as correct throughout the world. The craft owners had thus suffered in payment of undue taxes which were calculated on gross tonnage and (2) taking the instance of steamers which were measured according to the Board of Trade Rule No. 1 the ratio of their carrying capacity to their registered tonnage was 8 to 5 whereas the carrying capacity of country crafts fell far below their registered tonnage. The Committee were therefore requested to take necessary steps in support of their representation. In reply the Committee informed the Buyers and Shippers Chamber that they were in favour of the adoption of the Board of Trade Rule No. 1 but as that rule was very intricate and could not be worked out by most of those who were doing that work the Committee suggested that there should be some form of a rule to be made out which would be simple and results obtained thereby should be such as if they had been obtained by the Board of Trade Rule No. 1.

In reply a letter was received from the Buyers and Shippers Chamber stating that they also agreed with the Committee and the

correspondence carried on by that Chamber amply proved the justification of the said Rule being adopted, but the difficulty was that boats were being built in various types and one co-efficient rule would not answer the required purpose and they suggested that there should be different rules as regards defferent types of boats; at the same time the said Rule should meet with the Board of Trade Rule No. 1. The Committee in reply stated that in absence of any concrete suggestions it was not possible for them to take any further action in the matter.

16. Grievances of passengers on British India Steam Navigation Company's Boats :—

A letter was received from one of the passengers on s. s. "Karapara" dated 20th April 1923 describing the grievances of passengers on board the Company's vessels. The chief complaints may be summarised as under :—

(1) The attitude of some of the petty officials is something else than civil;

(2) Information required by the passengers is generally not given to them;

(3) Passengers are charged for the personal luggage that they carry with them on the day they arrive at their destination. No weight is shown to them. No tariff is adhered to and arbitrary amounts are asked from them. Unusual steps are taken to recover these amounts;

(4) In Mombasa the Customs people were asked to collec the amount to the extent of Rs. 84 from one of the passengers;

(5) The Officers putting up airs of superiority and being somebodies are intolerable to the passengers;

(6) The Doctors on Board should be paid better salary if expedient so that they may not charge the passengers on the voyage for medicines and medical attendance as they generally do;

(7) The menial staff should be given to understand that they exist for the sake of the passengers and not for the sake of the brass knobs of the cabins and saloons which get more care and attention at their hands than the former;

(8) Before the issue of tickets the passengers should be informed of the amounts they have to deposit at certain ports such as Mombasa, Zanzibar and Mozambique so that they may not be stranded and the trouble of ships' authorities would also be saved; and

(9) Lately at Mombasa and Zanzibar they required £10 either in cash or security to that extent. In Mozambique now they required £30 instead of £20 so far. This information should be given to the passengers beforehand.

The Committee accordingly drew the attention of the Managing Agents of the Company to these complaints and requested them to make enquiries into these and give a redress to the passengers wherever complaints were justifiable and relief was possible. In reply, the Agents stated with regard to the complaints (1), (5) and (7) that the Company was taking up the matter with the various vessels and there would be no futher complaints in future; with regard to complaint (2), it was stated that all general information was given and the Company would be glad to know the precise information asked for and not supplied; with regard to complaint (3), it was stated that Deck passengers were not charged for the personal luggage but small charge was levied for packages containing other than personal effects; with regard to complaint (4). the Company was not aware and would enquire into the matter on receipt of advice as to the date on which s.s. "Karapara" sailed from Bombay; with regard to complaints (8) and (10), it was stated that passengers' brokers had been advised of amounts which passengers were required to pay and such information was given to passengers booking their passages in the Company's office; with regard to complaint (6), the Company desired to have any receipt issued by such Doctor to enable it to deal with him properly.

A copy of this letter was forwarded to the party complaining with a request to supply information on several points raised by the Company. In reply, a letter was received from the party complaining, replying to the various points raised by the company. This information was sent to the Company's agents who stated steps had already been taken to ensure that the excess baggage charges of saloon passengers should as far as possible be collected before passengers embarked and he hoped that this arrangement would be acceptable to passengers. As regards the charge of Rs. 2/- made to Major F. Lee. Spratt, for medical attendance the Committee were informed that the amount had been refunded to this passenger and all doctors were warned that no charges should be made to passengers for medical attendance. It was added that if the Indian passengers were refused permission to land at Mombasa through being unable to furnish the necessary deposits they did not think that any blame attached to the company in view of the fact that landing deposit formerly collected by the Company from Indian passengers was discontinued to meet the wishes of Indian passengers as represented to them by the British East Africa Indian Association, Mombasa. There was little doubt that a certain number of passengers proceeded to African ports with inadequate funds in the hope they might pass the Immigration authorities. Every effort was made by the Company to warn passengers of the position as would be seen from a leaflet attached, which was issued to passengers. The other matters complained would be enquired into further on the arrival of the Karapara in Bombay and suitable action taken where necessary.

17. Increase in landing charges by the B. I. S. N. Co.:—

A letter was addressed to the Agents of the B. I. S. N. Co, stating that the Committee were informed by the Indian National Association of Zanzibar that the B. I. S. N. Co., had increased landing charges and that these increased charges were made applicable to cargo from Bombay and through cargo from Calcutta, Rangoon, Madras and Karachi, Hongkong, etc. The Committee could not understand why these charges were increased when

the trade all over the world was in such a depressed condition and could not bear any further burdens placed upon it. Still less could they understand the reason for making the increased charges applicable only to ports mentioned above and not to ports in western countries. It was pointed out that if there was an increase in the cost of the Company in respect of landing charges it could not be merely in the case of a particular cargo but it must be in the case of all cargo. In reply the Committee were informed that the increased rates were sanctioned after due consideration in view of the high charges at Zanzibar for landing cargo, etc. The rate applied to all cargoes going forward from Indian and other ports by Bombay-African vessels and it was regretted that it was not possible to make any reductions in the charges.

In reply the Committee stated that they were sorry that they had not replied to the main issue viz : how it was that while the increase had been effected in landing charges for cargo from Indian ports and one or two other Asiatic ports no such increase had been effected for cargoes from western ports. If there were high charges at Zanzibar for landing cargo etc., surely this condition applied to cargo booked from all ports irrespective of the fact whether they were eastern or western. The Committee requested the agents to be informed of the reasons for this differential treatment. In reply the Committee were informed that the rate which was now charged on cargo to Zanzibar was based on the actual cost of landing cargoes and if far lower rate was charged on cargoes from western ports to Zanzibar there must be some special arrangement made to cover this. They regretted that they were not aware of what landing charge on Home cargo was or what the arrangement was in connection therewith.

The Committee in reply supplied to the Agents of the Company rates of landing charge obtaining over different steamship lines remarking that their rate of Rs. 9-25 per ton (inclusive of Government wharfage charge 75 cents per ton) was very high compared with the rates charged by other steamship companies. The Committee therefore requested the Company to reduce their rate of landing charges to

the level of that charged by other steamship companies. They also pointed out that they failed to understand why the B. I. S. N. Company should charge higher landing charges on cargoes from Indian ports while other companies charged uniform rates for cargoes from all ports.

18. Addition of clauses in M/R and B/L on shipment from Karachi to Persian Gulf by the B. I. S. N. Co :—

The Committee received copies of correspondence that had passed between the Buyers and Shippers' Chamber, Karachi, and the Managing Agents of the B. I. S. N. Co. on the above subject. The clause complained of by the Buyers and Shippers Chamber, Karachi, was that no liability would be entertained by the Company for the shortage of goods packed in single gunnies. The Buyers and Shippers Chamber in their letter drew the attention of the Committee to the important fact that for no other part of the world there was any such clause in any Bill of Lading including that of the said Company as to filling of goods in double gunny bags for long distances as America or Australia whereas in ports of Persian Gulf the Company had introduced this clause which was a great blow to the Persian Gulf trade. In the opinion of that Chamber this was due mainly to the patent fact that there was no keen competition of any other steamer company. The Committee thereupon addressed a letter to the Managing Agents of the B. I. S N. Co., putting forward the following comments for their consideration :—

(1) A large part of the trade of the world was carried on by packing in single gunnies and there appeared to be no valid reason why the shippers of this route should be handicapped by the requirement of double gunnies ;

(2) The whole of the Burma rice trade was carried on by the use of single gunnies. It was pointed out that wheat, gram, peas, dall and other grains would not come out as easily as rice. There was no reason why double gunnies should be required for all these sorts of food-stuffs when single gunnies were allowed for rice ;

(3) A shipping company was within its rights to refuse cargo packed in inferior, old, or torn and repaired bags or to repudiate any liability for such packing and so the Committee thought it unfair to compel shippers to adopt double gunnies packing; and

(4) As it was, shipping companies were fully protected by the very wide clauses in the existing Bills of Lading and there did not appear to be any valid ground for such a clause to reduce the liability further.

In reply a letter was received from the agents of the Company stating that the question of insertion of the clauses referred to was thoroughly gone into by them in conjunction with the Company's agents at Karachi and the Managing agents at Calcutta before the Company decided to enter them. The Company's experience in handling the various commodities put it in a position to know what was the best method of packing sufficiently protective of the contents during transit and handling and they trusted that members of the Chamber would realise that it was in their as well as in their clients' interests for the commodities in question to be sufficiently well packed and if this was done in accordance with the clauses referred to and that cargo was landed in defective conditions claims would be met by the Company. In reply the Committee stated that they were not still convinced of the justification for inserting the additional clauses. They pointed out that the margin of profit on trade in most of the commodities was so narrow as not to bear the additional cost of even a single gunny bag and consequently the insertion of additional clauses was likely to prove detrimental to the various trade interests concerned. It was also stated that the Committee had been further informed by the Buyers and Shippers Chamber, Karachi, that the agents of the B. I. S. N. Co. had agreed to omit the single bag clause inserted in M/R in respect of gram, dall, peas and rice. The Committee therefore requested them to do away with the additional clauses in M/R and B/L altogether. In reply the Committee were informed that the undernoted clause was

inserted in M/R and B/L for shipment of gram, peas and dall only and it had not been agreed to omit same either from M/R or B/L :—

"Clause—the Company will not entertain any claims whatsoever unless gram, peas and dall are packed in new sound bags made from standard "A twill" fabric 8 × 9 and 44" × 26½' hemmed 2½ lbs. or better quality fabric."

The matter is yet under consideration.

(Vide also items 52,68,85).

(B) CURRENCY, EXCHANGE, FINANCE, AND ECONOMICS.

(a) Currency and Exchange :—

19. Pre-war gold parity of the Rupee :—

At the instance of one of the members of the Committee, the Committee of the Chamber addressed a telegram on 27th January 1923 to the Government of India, Finance Department, drawing their attention to the prevailing stringency in the money market and the serious and chaotic conditions of the present currency arrangements of the country and urging on them the necessity of immediately repealing the hasty legislation of 1920 in order to enable natural forces to operate freely on the exchange. As the Government of India did not move in the matter, a letter was addressed to the Government of India, Finance Department, Simla, on the 4th September 1923, drawing their attention to the advisability of removing the fictitious ratio of 2 sh. gold to the rupee from the Coinage and Paper Currency Acts and of reverting to the pre-war gold parity of the rupee. The Committee considered that most serious harm was done to India's export trade and therefore to Indian producers by continuing on the Statute Book a ratio which had been conclusively proved to be entirely out of line with India's economic conditions and they thought that the need of immediately restoring the pre-war rate was imperative. It was pointed out that the change from the old ratio of 1s. 4d. gold to the rupee to 2 sh. gold was considered by the Committee entirely unjustified even in 1920 when the necessary amendments to the Coinage and the Paper Currency Acts were forced through the old Council just when the very costly attempt at keeping the rupee at 2 sh. gold by sales of Reverse Bills had completely broken down. The 2 sh. rate was tantamount to 50 per cent bounty

to English manufacturers and exporters and the Committee were afraid it was the very great pressure from Home to put the 2 sh. rate on the Statute Book that made the Government deaf to all appeals for postponement of any change in the ratio. It was further stated that the history of the past three years had clearly shown how futile the change had been. Government themselves had been compelled to abandon the 2 sh. rate as far as their own budgets were concerned which had been drawn up for the past two years on the basis of 1s. 4d. The Committee therefore urged upon the Government the advisability of restoring the old ratio on the Statute Book without further delay. It was also stated that in 1920 the price of silver was put forward as one of the strongest arguments in support of the change to two shillings. In their various representations on the subject both to the Government and the Babington-Smith Committee, the Committee had pointed out that the then high price of silver was solely due to the abnormal conditions created by the war and that silver would revert to pre-war price as soon as we settled down to more normal conditions. This opinion was no doubt at the time derided by Government experts but the Committee had the satisfaction of seeing that their view of the course of silver prices had proved correct. Therefore, if ever there was any justification for the change of ratio to 2sh. on the score of the price of silver there was no longer any such justification. The next argument of those who favoured the 2sh. rate was the high prices that prevailed. It was assumed that such prices had come to stay and it was on this assumption that the Babington-Smith Committee made its recommendations. It was now known that prices of 1920 were abnormal and that the world had gradually returned to near pre-war prices. Hence there was no longer even a semblance of justification for rigging up exchange on the score of high prices. Nay, it was even highly imprudent and unstatesmanlike to-day because in the four years wages and salaries had been put up not only in our industries but in our railways and Government services of all kinds to compensate for the high prices. Already not only industries but railways and even the Government found the burden too heavy. It would be almost unbearable if these high wages and salaries were again raised in

purchasing power by rigging up exchange which would throttle all progress in trade and industries. Therefore the Committee were strongly of opinion that any ratio higher than 1s. 4d. was not only unsound but that in the present state of wages and prices in the country it was even unthinkable. It was recalled that the Committee had the honour of urging reversion to 1s. 4d. rate before the Honourable the Finance Member on his last visit to the Chamber but the Honourable Member seemed to consider that there was no harm done if the 2s. rate remained on the Statute Book. But as pointed out at the time it was not as harmless as it seemed. A ratio of 1s. 4d. meant that a banker bringing gold could tender it to the Currency Office and get Rs. 15 issued against it for each sovereign so tendered. To-day under the act as it stood he could get only Rs. 10. No banker would to-day think of tendering gold and getting currency issued at such an absurd rate but if the old ratio was restored it would be operative as soon as the export trade was so strong that it required the importation of additional funds to finance it. This would have the beneficial effect of stabilising the exchange rates within a narrow range. What the Committee asked therefore was not merely an academic advantage but real boon to India's export trade. The harm done to India's trade by the present rate was incalculable and the Committee thought it incumbent upon Government now to take steps at the earliest possible moment to restore the old ratio because the 2sh. rate had long proved fictitious and did not serve the purpose of linking India with international markets as such ratios should. In reply a letter was received from the Finance Department, dated the 18th October 1923, stating that the Government of India had carefully noted the views and arguments set forth by the Committee. They were not prepared at the time to make any further pronouncement regarding this important question of policy which had received and was continuing to receive their consideration.

20. Government's policy regarding India's Currency Reserves:—

The attention of the Committee was drawn to a telegram appearing in the Bombay Chronicle of 10th October 1923 to the

effect that an inspired anonymous article in the Asiatic Review of October on Indian Finance indicated a conspiracy not only to taking over the invested sterling securities into the Paper Currency reserve but also to the transfering of gold held in the Paper Currency Reserve with the ulterior object of spiriting away India's gold. The Committee therefore enquired of the Government of India, Finance Department, if there was any truth in the above statements. In reply the Government of India forwarded for the information of the Committee a copy of a communique issued on Wednesday, 14th November 1923 regarding the sale by Government of £ 2,000,000 gold from the Paper Currency Reserve. The Committee sent a telegram strongly protesting against the proposed sale of gold from currency reserve which was entirely opposed to sound currency policy and in breach of authoritative pronouncement that India had been put on a gold standard. It was pointed out that no responsible Government in any country had ever attempted to make profit out of its currency reserves although the temptation in case of France and even of Great Britain was far greater. It was added that the Committee had repeatedly urged on Government the desirability of holding even Gold Standard Reserves entirely in gold and entirely in India and they could not too strongly protest against the present action in contrary directions converting more of gold reserve into paper reserve. The Committee feared that this action of Government would tend to unsettle confidence in the country's note issue and they urged on Government to give up the proposed sale of currency gold.

In reply, the Government of India, Finance Department, stated that they had nothing to add to what the Hon'ble the Finance Member said at the meeting of the Associated Chambers of Commerce in Bombay. The matter is under consideration.

21. Emergency Currency: Amendment of the Indian Paper Currency Act :—

A letter was received from the Government of India, Finance Department requesting the opinion of the Committee on the following suggestions for amending the law and procedure regulating the grant of loans from the paper currency to the Imperial Bank of India upon the security of Bills of Exchange:

(1). That the permissible limit of such loans should be increased from 5 crores to 12 crores.

(2) That the loans should bear interest at Bank rates varying and should be limited to 3 crores when the Bank rate was at 6 per cent, to a further 4 crores when the Bank rate was at 7 per cent and to a further 5 crores when the Bank rate was at 8 per cent.

In reply to this the Committee reminded the Government of their (Committee's) letter dated 8th November 1920 wherein they had anticipated the very difficulties that had now arisen. They further ventured to suggest that any fixed figures were undesirable for this currency and urged that the issue be made more elastic. The fixed figure of 5 crores was now considered on all hands to be altogether inadequate and a revision was to be urgently called for. As for the total amount the Committee considered that the more scientific way would be to make it a certain percentage, say 10 per cent, of the total amount of notes issued and suggested that the loan should bear interest at 6 per cent for the first 5 crores and 6½ per cent for the next 5 crores and 7 per cent for the balance. The Committee pointed out further that the difficulties this year arose not so much through normal pressure of trade but were a consequence of the inopportune concellation of notes of nearly 9 crores last slack season. Any facilities that might be provided under these arrangements would add little unless the Imperial Bank made these provisions effective at the earliest possible moment.

22. Discontinuance of the One Rupee Note :—

The attention of the Committee was drawn by the Secretary to the Government of India, Finance Department, to the remarks of the Indian Retrenchment Committee on the question of the discontinuance of the one rupee note. The Government of India did not wish to trouble the Chamber on the subject of the relative cost of the one rupee notes as compared with silver rupees. Calculations of the Retrenchment Committee were admittedly of a hypothetical nature and the Government of India would con-

sider this aspect of the question after a consideration of the report of the special officer who had been deputed to England to study the question of reduction in cost of note forms and the possibility of manufacturing or printing them in this country. The opinion of the Committee was however invited regarding the value which, in their opinion was attached by commercial men and the public generally to the provision of Paper Currency of such a small denomination as the one rupee note. Before the letter was received from the Government the Committee had already forwarded their views on the subject in response to a request made by the Hon'ble the Finance Minister at his interview with them. It was observed therein that although the preference by the community for currency notes of other denominations as against silver metallic coins was to be welcomed as making it easier for the Government to go over ultimately to the Gold standard, the question of one rupee notes should be examined on very different grounds from this. They were:—

(1) The cost of maintaining a continuous issue of one rupee notes which they understood at present involved an additional and uncalled for burden on the tax payer; and (2) The question of convenience to the public of different classes.

The consensus of opinion was that the present material used in one rupee note and its size involved considerable losses by these notes being either lost or torn or mutilated in their currency from hand to hand and in being carried about. The convenience in tearing out one rupee note for small expenditure from the 25 rupee-note-book for the middle and higher classes did not compensate for the losses inflicted on the poorer section of the community in their use of this form of currency or on the tax-payer in the cost of keeping up this form of currency.

(b) Finance.

23. Alliance Bank of Simla:—

A member drew the attention of the Committee to the closing of business by the Alliance Bank and to the proceedings of the meeting of shareholders and creditors of the Bank which was

held in Bombay. He suggested that a proper representation should be made urging that an Indian Auditor in whom the public had confidence should be appointed. The Committee took action upon this letter in the shape of a telegram to the Government of India, Finance Department asking them several questions with regard to the promise of the Imperinl Bank of India to pay 50 per cent of their deposits to the creditors of the Alliance Bank and urging that nothing but the association as co-liquidator of an Indian commanding public confidence would lead to the securing of due exposure of frauds which was necessary in the interests of general business morality of the country. The Government of India in their reply dated 22nd May 1923 No. 407A observed that the action of the Imperial Bank appeared to have been taken with the object of preventing unnecessary financial disturbances being created by the failure of the Alliance Bank and to have been in the interests both of the creditors of that Bank and of the general financial stability of the country. It was understood that the responsible authorities of the Imperial Bank were satisfied that the available assets of the Alliance Bank were sufficient, if the liquidation were properly conducted, to yield a dividend of atleast 50 per cent to the creditors and this being so, their action in assuming responsibility for the early payment of the amount appeared to be a public spirited one. It was justified by the Imperial Bank's position as a Central Bank. As regards the Committee's request whether the Central Board of Governors of the Imperial Bank were consulted in the matter the Government of India considered that question should be properly addressed to the Imperial Bank itself. With regard to the appointment of an additional Indian liquidator it was a matter which mainly concerned the creditors of the Alliance Bank who would be able to decide what was in their own best interest at the creditors' meeting which would be held on the 1st June 1923. The Committee despatched a second telegram to the Government of India, drawing their attention to the growth of strong feeling among the public specially as it was believed that since Sir David Yule's speech at the Annual General Meeting more Indian money had been put in the Alliance Bank and percentage

Indian deposits had increased. In reply the Government stated that they fully recognised the importance of the Indian interests involved but that as the procedure for the selection of liquidators was laid down by law and the selection rested with the shareholders and creditors of the Alliance Bank, who were parties directly interested, they did not feel that they were in a position to interfere.

In reply a letter was addressed stating that the Committee welcomed the change of policy referred to and trusted that in similar circumstances the same protection would be extended to purely Indian institutions. Another letter was addressed to the Central Board of Governors of the Imperial Bank of India stating that the Committee addressed a letter to the Managing Governor of the Imperial Bank of India enquiring whether the Central Board of Governors of the Imperial Bank were consulted in the matter of promising to pay the creditors of the Alliance Bank 50 per cent of their deposits and whether they favoured this arrangement unanimously but in reply he regretted that he was precluded under Bye-law No. 25 from discussing the internal affairs of the Bank. The Committee, therefore requested the Central Board to be pleased to give him the necessary permission to supply the required information. In reply a letter was received from the Managing Governor of the Imperial Bank of India stating that the Central Board of Governors regretted that they could not accede to the above request of the Committee.

After the Managing Governor of the Imperial Bank of India had made an affidavit in the Bombay High Court, a letter was again addressed to the Government expressing the Committee's profound surprise at the revelation made in this affidavit which gave an altogether different version of the events which took place prior and subsequent to the failure of the Alliance Bank. From the affidavit it appeared that the action by the Imperial Bank was taken at the instance of the Government of India who had guaranteed to make good any loss that might accrue to the Imperial Bank in making such payments and who further authorised the Imperial

Bank to hold as security for such payments so much of the Government balance as might be necessary to meet the outstandings due to the Bank in this respect. On the other hand, in their reply to the Committee Government did not mention that they were at the back of this transaction but an attempt to convey an impression altogther to the contrary was made. The Committee enquired what reasons led the Government of India to take this course in their relation with an important public body like the Chamber and whether any serious reasons of State existed for this method of procedure. The Committee felt that great harm had been done to the various interests concerned by the manner in which the Government had contrived to effect that transaction. In reply the Government of India stated that they had nothing to add to the full statements made by the Hon. Finance Member on the subject both in answer to questions and in debate in the Indian Legislative Assembly.

In reply the Committee addressed Government asking whether there were any special reasons for giving this Chamber, and through this Chamber the public, entirely misleading information with regard to the action taken by the Government in connection with the Alliance Bank—an action which had been condemned in the country as indicated by the clear and decisive vote of the Legislative Assembly. The Committee also enquired whether the Imperial Bank would continue to perform the functions of the Central Bank in future always under the guarantee of the Government or without such a guarantee and whether the form of assistance given on this occasion would be the same in future when the Imperial Bank would merely act as agents of the Government of India and not as a bank pure and simple. The declaration by the Imperial Bank that they were willing to give 50 percent advance provided arrangements for liquidation were carried out under their surveillance was criticised at some length. The Committee urged on the Government the desirability of using their power to allay the numerous apprehensions which had been roused over this question and to appease the Indian sentiment to a certain extent by undoing the harm which the concealment of the Government share in this event

had done at the time of the appointment of liquidators.

In reply, a letter was received from the Finance Department, Government of India, stating that they did not propose to send any further communication on the subject. It was resolved to record this letter.

24 Budget of the Government of India :—

The Committee addressed the Government of India with regard to the Financial Statement of 1923-24. They protested most strongly against the proposed doubling of salt duty to cover the deficit estimated in the Budget as they considered that sufficient retrenchment in expenditure should be possible atleast to avoid additional taxation especially of a kind hitting the poorest. They suggested levying of export duty of six annas on petrol. With regard to the exchange policy of the Government Committee expressed surprise at their waiting policy. The Committee urged upon the Government the advisability of giving up the present waiting attitude and of taking immediate measures so that this country might attain gold parity at the earliest possible moment.

25 Interest on Short term Investments :—

The Government of India, Finance Department were pleased on the request of the Committee to furnish the following information regarding the rate of interest earned on short term investments made by the Secretary of State in each of the six months from July to December 1922.

1922	Average rate p. c.
July	1·9
August	2·2
September	2·4
October	2·4
November	2·4
December	2·5

The above figures do not distinguish between investments on behalf of the Currency and Gold Standard Reserves and the Secretary of State's Treasury balances.

(Vide also items 53,76).

(c) Economics.

26 India's representation on the Imperial Economic Conference :—

On the announcement of the appointment of exclusively official representatives on the Imperial Economic Conference a telegram was sent to the Government of India, Commerce Department, Simla on 1st September 1923 stating that the Committee had read with great regret of the appointment of an exclusively official delegation to the Conference. The Committee were sorry that Government had not still recognised the principle of associating non-official businessmen with work which they professed to do in the name of India. In reply the Government of India stated that the Imperial Economic Conference was a conference of delegates of Governments of the Empire. The Committee further addressed a letter saying that the Government of India could not be unaware of the regular educative propaganda that had been carried on by the Association of British Chambers of Commerce with regard to the agenda of that Conference. It was pointed out that all the British Chambers of Commerce had been considering questions like Imperial Preference and others likely to be items on the agenda. The Committee requested the Government of India to inform them as to whether the British Chambers of Commerce in the United Kingdom were supplied with any provisional agenda of the conference. They also enquired if the Government of India had received the agenda and also if there was any truth in the statement that the views of the Government of India with regard to the agenda had been sent to the Secretary of State for India.

In reply the Government of India, Department of Commerce stated that from their file of newspaper cuttings it was found that the provisional list of subjects referred to was cabled out by Reuter last April and appeared in the Indian press. The Chamber had the same opportunity as the British Chambers had to study these questions and to make any representation they wished to the Government of India. His Majesty's Government were receiving large numbers of suggestions from British commercial bodies and

if Indian commercial bodies had wished to include any subject in the agenda it was open to them to make similar suggestions to the Government of India for communication to His Majesty's Government. It was resolved to record this letter.

27. Indian Economic Conference, Bombay :—

A letter was received from the Hon. Secretaries of the above Conference informing the Committee that the sixth annual Conference of the Indian Economic Association would be held in Bombay in January 1924, under the Presidentship of the Honourable Professor V. G. Kale, Member of the Tariff Board. They requested the Chamber to make a generous donation to the funds and the members of the Chamber were requested to join the Reception Committee. In reply the Committee sent a sum of Rs. 100 as donation and informed the Secretaries of the Conference that Mr. Devidas Madhowji Thakersey, President of the Chamber and the Honourable Mr. Phiroze C. Sethna, Vice-President, would join the Reception Committee.

(C) GOVERNMENT STORES PURCHASE POLICY :—

28. Purchase of Government Stores :—

In reply to the Committee's representation, No. T.-440, dated 5th May 1923, criticising in general the policy of the Government of India in the matter of purchase of stores, a letter was received from the Government of India, Dapartment of Industries and Labour, No. S-183, dated 27th June 1923 stating the Government recognised that the demand of Indian public for the utilisation of manufacturing resources of India for supplying public requirements was entirely legitimate. Government had made various efforts to secure that end but their policy had not met with that degree of success which it might be expected to do. The responsibility for this did not rest entirely on Government. The Indian manufacturers had not as a regular rule succeeded in producing stores of a quality and at a price comparable with those produced in other countries. The ignorance on the part of individual purchasing officers of the available sources of Indian manufactured supplies

and the lack of organisations for inspection during and after the manufacture of Indian products were also responsible. The India Stores Department had been established to meet these difficulties. But the Department had made small progress, due to causes beyond the control of the Government. The accomplishment of this policy was not likely to be secured without fullest co-operation of Indian manufacturers, who must produce their goods at a price and of a quality which did not compare unfavourably with the prices and products of foreign manufacturers, and they must arrange to execute their orders with promptitude. On the question of the purchase of the imported Stores a cleavage occurred in the findings of the majority and minority of the Stores Committee. As the Committee of the Chamber were surprised at the acceptance by Government of the minority views it was explained that the Stores Rules did not preclude the purchase of imported stores in India. The obstacle in the way of purchase of manufactured stores imported into the country was the difficulty on the part of Government in satisfying itself that the stores answered in all respects to the specifications laid down. Again, it would surely be unbusinesslike to resort to importers in India for its supplies unless it was assured that, that was economical. Regarding Committee's disappointment at the progress of the India Stores Department the letter stated that it was started on 1st January 1922 and it undertook the purchase of textiles for the Army and other Government Departments. It had succeeded in diverting to India much business of a class which formerly went abroad and had also effected substantial economy. The Retrenchment Committee deprecated the further development of the Department until certain conditions were fulfilled. The Government, however, had decided to proceed with the expansion of the Department and to proceed with the organisation of the branch which would deal with the purchases of indigenous stores. The instances, the letter stated, which the Committee cited in their letter did not indicate that local supply agencies were overlooked. Regarding the instance of Railway materials, Committee were reminded that the Stores purchase arrangements of Company managed Railways were not controlled by Government. The above

remarks applied only to Central Government and Governments other than major Local Governments who had full power to frame their own policy in the matter. Regarding specific proposals contained in Committee's letter it was observed that the Government of India were not in a position to impose such an arrangement on the Provincial Governments or on Company-managed Railways. In so far as minor Local Governments were concerned the proposition put forward by the Committee involved a principle which had many advantages but there were considerable practical difficulties in giving effect to it such as non-existence of expert and properly staffed agencies in India. It was added however that the matter would receive consideration when conditions were more favourable. With regard to Committee's suggestion to advertise tenders in India, England and foreign countries the letter stated that under the existing arrangements all requirements exceeding Rs. 5,000 in value were advertised in India. A system of calling for simultaneous tenders from Indian and foreign manufacturers would cause delay. Advertisements in foreign countries should generally be made only in cases where financial consideration was an important factor and where there was a doubt of India being able to meet the demand properly. India Stores Department was arranging to obtain full information of the available resources of the country in respect of imported articles as well as of manufactures from all likely sources. It had evoked the assistance of the Bombay Millowners Association and would be glad to receive and utilise such information as the Indian Merchants' Chamber and other commercial bodies were in a position to give.

The Government of India disagreed entirely with the Committee that their attitude towards Indian sources of supplies could fairly be described as step-motherly. Their policy in respect of utilisation of India's resources was to encourage a resort to these sources of supply subject only to the observance of the elementary principles of business dealings.

Finally the letter stated that the Government of India and the Chief Controller of stores would welcome any advice and assistance

from representatives of commercial bodies but they regretted that they were not convinced that the formation of a committee suggested by the Chamber would suitably serve to secure the object in view.

In reply the Committee stated in their letter No. T-964, dated the 6th September 1923, that according to the Government of India's letter it would seem that the failure of the Government to make larger purchases of Indian manufactures was largely due to the fact that Indian manufactures themselves had not succeeded in producing materials of a quality and at a price comparable with those produced by manufacturers of other countries. The Committee were afraid that at present things were moving in a vicious circle. The Committee enquired whether indenting officers placed a price limit on Home indents, such limit being the figure taken here for comparison with the local article. The Committee considered that the least that ought to be done was to have a rupee limit placed on all indents sent Home in order to insure that the ultimate rupee cost of the article so indented was at or below the figure originally in view when comparisons were made with local articles. After replying in detail to the various other points raised in the Government of India's letter, the Committee requested the Government to reconsider the position and order that

(1) In future all tenders be called for in this country for delivery at a named point in this country and in the currency of this country;

(2) That where necessary inspection at the time of manufacture or before shipment may be made one of the conditions of such tenders;

(3) That indenting officers be warned that "urgent" orders should be rare especially in peace-times and that they were expected to know at least 6 months in advance the quantity they required of all ordinary articles of daily consumption and that they should call for tenders in a way that left reasonable time in the hands of suppliers here to comply with delivery;

(4) That the present method of placing out orders by the India Office be investigated to see whether they did not unduly keep out non-British manufacturers. The Committee found it difficult to believe that so much as 95 percent of Indian orders could have gone to British manufacturers as claimed in the House of Commons if it was really under competitive conditions as the undercutting of British by Continental makers particularly in the iron and steel line had been the wail of British trade papers for the past two years except perhaps for a spasmodic spurt during the earlier days of Ruhr occupation.

In reply the Government of India, Department of Industries and Labour, in their letter No. S-183, dated the 16th October 1923 stated they had carefully considered the whole matter and had nothing to add to their previous letter. It was added that the Honurable Member-in-Charge of the Department of Industries and Labour hoped to visit Bombay at an early date and would be glad to have an opportunity of discussing the question further with the Committee. With regard to the last paragraph of the Committee's letter it was stated that orders on Home indents were not placed by the India Office which had nothing whatever to do with the London Store Department which was now under the immediate control of the High Commissioner who in turn was a servant of the Government. In the second place the High Commissioner had been given specific instructions to place his orders in the cheapest market irrespective of the nationality of the tenderer and further whenever the order was not given to the lowest tenderer a report of the case and of the reasons therefore was communicated to the Government of India, who in their turn communicated it to the public commercial bodies and to all the members of the Legislative Assembly. Under the circumstances the Government of India considered that no action need be taken in the direction indicated.

In reply the Committee in their letter No. T. 1150 dated 3rd November 1923, stated that they were not satisfied with the reply.

The attention of the Government was specifically invited to the several instances, given in the letter of the Committee dated the 5th May 1923 No. 440, of goods purchased in England though they were available in this country. Such instances it was pointed out were repeated in all half-yearly statements issued by the High Commissioner. The Committee were glad to note however, that the Hon'ble Member-in-Charge of the Department of Industries and Labour was coming shortly to Bombay to discuss all the questions with them.

29. The purchase of Stores by the India Stores Department, London : —

The Government of India, Department of Industries, supplied to the Committee of the Chamber for their information copies of half-yearly statements, for periods ending 31-12-21 and 30-6-22, showing cases in which the lowest tender was not accepted by the India Stores Department, London. A careful examination of these half-yearly statements revealed the fact that in majority of cases the Indian High Commissioner gave preference to British manufacturers in the matter of purchase of stores on one or other of the following grounds : (1) quicker delivery, (2) greater reliability, (3) the non-inclusion of the lowest tenderer in the King's Roll, and (4) the necessity of accepting a higher tender in order to prevent the lapse of grant provided for in a particular financial year. The Committee of the Chamber sent a representation to the Government of India complaining against the policy adopted by the High Commissioner. In reply a letter was received from the Government of India, Department of Industries, stating that they could not agree with the views of the Committee that the three grounds viz, quicker delivery, greater reliability and non-inclusion of the lowest tenderers in the King's Roll, on which preference was shown to the British tenderers were erroneous. They considered on the contrary that purchases without regard to the time of delivery offered by the tenderer and the reliability of stores offered would be opposed to the most elementary business principles and whatever might be the future of India Stores Department in

London they did not propose to make any departure from such principles. With regard to the inclusion of firms in the King's Roll the letter pointed out that in practice the question of prefering a firm which was on the King's Roll rarely arose and that care was taken that no sum of any significance was sacrificed thereby. With regard to the Committee's criticism that it was wrong in principle to accept a higher tender in order to prevent the lapse of grant provided for particular financial year it was stated that the matter involved questions of considerable difficulty entirely apart from the general question of the policy to be followed by the High Commissioner in making purchases of stores. With regard to the specific instance of the purchase of Pugree cloth in London the Government of India stated that enquiries were first made in India but the price at which the Indian mills tendered the Pugree cloth was distinctly unfavourable and the indents were therefore in accordance with the rules to be passed to the India Stores Department in London.

With regard to the half-yearly statement of cases in which lowest tenders had not been accepted by the India Store Department for the half-year ending 30th June 1923, the Committee addressed to the Government of India, Department of Industries and Labour, a letter No. T. 1182, dated 15th November 1923, pointing out several cases in which articles were purchased from British manufacturers at a higher price than that quoted by non-British firms. It was also pointed out that when it was proved that cement could be and was manufactured in India in any quantity and for any delivery they required, it was strange that India should go to England to buy it.

30. Purchase of foreign timbers by India :—

It will be recalled that the Committee of the Chamber sent a representation to the Government of Bombay, Development Department, inviting their attention to the correspondence that appeared in the press regarding the purchase of Canadian timber by the Department. Another representation was also sent to the Government of India requesting them to issue a detailed statement giving quantities and value of orders placed in foreign countries for timber by the different Railways and Departments of the Government of India. In reply a

letter was received from the Government of Bombay, Development Department, stating that early in 1921 it became necessary to obtain a supply of about 1800 tons of timber for the temporary gantry required to be built at Marine Lines in connection with the construction of the sea-wall of the Back Bay Reclamation. It was further stated that the Directorate had consulted the Forest Departments of different Provincial Governments and the Superintending Engineer but that in the end the idea of using local timber had to be abandoned because few Indian timbers available in sufficient quantities were found to be obtainable in the necessary sizes and lengths. It was also stated that they would be glad of any assistance which the Chamber could give in the matter of purchasing local timber of suitable sizes and lengths. In reply to the representation sent by the Committee to the Government of India a letter was received from the Department of Revenue and Agriculture contradicting the allegations made in certain newspapers regarding the placing of large orders by Government departments for foreign timbers and stating that during the past 10 years from 30 to 40 lakhs wooden sleepers were purchased annually by Indian Railways and during the next 5 years it was estimated that 40 to 50 lakhs would be required annually. In conclusion it was stated that every endeavour was being made to utilise the forest resources of the country. The Committee of the Chamber resolved to circulate copies of the replies amongst important timber merchants of the Chamber requesting them to send their views to the Committee. The Committee have so far received no help from timber merchants.

31. Purchase of Sugar-coated Quinine Tablets by the Government Medical Department, Bombay :—

At the instance of one of the members of the Chamber a letter was addressed to the Government of Bombay, General Department, requesting them to supply full information with regard to the quantity, price etc. of sugar-coated quinine tablets purchased by the Government Medical Department. In reply the Committee were informed that sugar-coated quinine tablets were not purchased by the Government Medical Department nor supplied to any of the Civil Medical institutions of the Bombay Medical Department.

(Vide also items 39,80).

(D) TARIFFS AND TAXATION.

32. Refund of duties on exports of grain from Bombay by Rail and by Sea :—

At the instance of a member the Committee of the Chamber drew the attention of the Bombay Municipal Corporation to the existing procedure under which the production of import bills and identification of marks in respect of applications for refund of duties on exports of grain by rail were insisted upon while those very requirements were dispensed with in respect of export by sea. In view of the proposal which was before the Corporation viz,—the adoption of a non-refundable terminal tax instead of a refundable town duty, the difference between the existing procedure with respect to exports by Rail and by Sea was likely to come to an end automatically but as the new system was likely to take some time to come into force the Committee of the Chamber urged that during the interval the Corporation would see its way to bring town duty refund rules in case of exports by Rail on a level with those for exports by sea so as to remove a long-standing grievance of the Indian trading community of Bombay. No steps have so far been taken by the Municipal Commissioner in the matter.

33. Substitution of a non-refundable terminal tax for the existing refundable Town Duty :—

A letter was received from the Municipal Commissioner stating that a Committee appointed by the Corporation had under its consideration a proposal of the Municipal Commissioner to substitute a non-refundable terminal tax for the existing refundable Town Duty. With the letter was also enclosed for the opinion of the Chamber a tentative schedule drawn up by the Commissioner of articles proposed to be taxed and the rates at which the tax was proposed to be levied. The Committee of the Chamber in reply stated that they did not approve on principle of either the imposition of a Town Duty or a terminal tax as such a form of taxation was economically wrong and

involved a heavy cost of collection. They therefore recommended that the Bombay Municipality should abolish the tax when it got other sources to meet the exigencies of revenue.

Without prejudice however to the above principle the Committee proposed the following alterations in and additions to the Schedule:—

Fodder, Grain & Flour:—These should be free from taxation altogether.

Manganese Ore must also be included with wrought iron and steel.

Coffee and Cocoa must be included with tea.

Timber must be taxed at 1 per-cent. instead of at 2½ %.

Ghee must be taxed at 4 annas per Bombay maund and 12 annas per Bengal maund istead of at 6 annas and Rs. 1/2, respectively.

Wines and Spirits must be taxed at 8 annas per Imperial gallon instead of at 6 annas.

Beer must be taxed at 3 annas per Imperial gallon instead of at 6 pies.

To discuss details of the Schedule with the Committee of the Corporation, the Committee appointed Messrs. Davidas Madhowji Thakersey and Mathradas Kanji Matani as representatives of the Chamber, and Mr. Ramji Bharmal was appointed adviser.

The representatives of the Chamber were examined by the Committee of the Corporation on Monday, the 9th July 1923. After discussion it was agreed that the representatives of the Chamber of Commerce, the Indian Merchants' Chamber, the Millowners' Association, and the Grain Merchants' Association be requested to send their alternative proposals giving figures of imports, the rates to

be charged and the total revenue which may be derived therefrom including therein such other articles as were not included in the statement approved by the Committee of Corporation or excluding therefrom any articles which they considered should be excluded. A statement prepared on these lines has already been forwarded.

34. Revised Tariff Valuation of Hides and Skins :—

A letter was received from the Director-General of Commercial Intelligence dated the 29th March 1923 27-B. stating that revised valuations for hides and skins would be brought into effect on the 1st June 1923. A statement was attached showing the valuations which it was proposed to bring into effect from that date and criticism of the Committee was invited thereon. The Committee in their reply suggested some modifications in the valuations.

35. Import duties levied by the Government of East Africa on unbleached cotton piece-goods : —

With reference to this item (Vide No. 67 of the Chamber's report for the year 1922) a letter was received from the Government of India, Department of Commerce to the effect that a reply was received by them from the Administration of Kenya Colony. It was apparent from this that the imposition of specific duty on this class of cotton goods was in persuance of the general policy which it was decided to follow of substituting specific for *Ad Valorem* duties wherever possible or feasible. It was not possible in regard to a number of various classes of superior textiles, but it did seem possible to the customs authorities of East Africa with regard to unbleached piecegoods. It was further pointed out that the matter was one of a purely administrative nature and not intended to differentiate against any particular class of goods or the products of any particular country. In this connection the Collector of Customs, Kenya Colony, East Africa was requested by the Committee to supply a detailed statement showing all the varieties of unbleached piecegoods with their respective quantities and values imported into East Africa together with the names of specific country from which such goods were imported during each of the last 3 years.

The Commissioner of Customs, Kenya Colony, supplied a statement showing imports of unbleached cotton piecegoods from 1st April 1920 to 31st December 1922, saying that records were not kept showing the different sorts of unbleached cotton piecegoods. It was resolved to record this letter.

36. Customs duty on molasses imported for the Manufacture of Industrial Alcohol :—

It was suggested by a member that the Committee should approach the Government with a request that the duty on molasses imported into India should be reduced and be made merely nominal as the commodity was used for the manufacture of industrial alcohol. Molasses were quoted on an average at Rs. 2–4–0 to 2–8–0 per Bengal maund C. I F. Bombay, duty on which amounted to Rs. 0–9–0 to 0–10–0 per Bengal maund at the rate of 25 per cent *ad-valorem* customs duty. This rate of duty was the same as the one charged on manufactured sugar.

One maund of molasses gave on an average 2-5 gallons of rectified spirit valued at about Rs. 3–2–0 C. I. F. Bombay the duty on which amounted to only Rs. 0–3–9 at the rate of 7½ per cent *ad-valorem* customs duty.

It would therefore be apparent, the member contended, that a Java manufacturer was benefited to the extent of nearly Rs. 0–6–0 per Bengal maund if he imported spirit manufactured from molasses instead of importing molasses themseves. In other words the Government of India paid a premium of about Re. 0–6–0 per Bengal maund of molasses to the Java manufacturer to convert the molasses into alcohol. In reply the Committee regretted that they could not say anything in the matter at that stage.

37. Conference on Customs formalities under the auspices of the League of Nations :—

A letter was received from the Government of India, Commerce Department, enclosing copy of a letter from the Secretary General of the League of Nations on the above subject. It was proposed to

hold under the auspices of the League a conference on Customs formalities at Geneva on the 15th October 1923 and for the purpose the League wished to circulate to its members on the 31st May a draft programme on the subject together with criticisms thereon by experts and business organisations of each constituent State. The Committee were requested to offer their observations on the several articles of the draft programme. The Committee in reply stated that they had no remarks to offer.

38. Abatement of Excise Duty :—

A letter was received from a member of the Chamber inquiring as to whether refund of the proportionate amount of duty paid on imported yarns could not be claimed from the assessment for Excise duty on cloth manufactured out of imported yarns. He pointed out that during the years 1894-1896 all foreign yarns imported into India had to pay an import duty of 5 percent. In 1896 the Excise duty was imposed on Indian cotton cloth and import duty on foreign yarns was removed, the argument for such removal being that imported yarns used for manufacturing cloth could not be taxed as the cloth manufactured therefrom was taxed for Excise duty. He further pointed out that in 1922, an import duty of 5 per cent. was again levied on yarns imported into India, and he therefore enquired whether a refund of the proportionate amount of duty on imported yarns from the assessment for Excise duty on cloth manufactured from the imported yarns should not be claimed. In reply the Committee regretted that they could not support his proposal on the following grounds :—

(1) The case of foreign yarn was analogous to millstores and machinery and no refund was given on these materials from Excise duty ; and

(2) Excise duty on cloth woven in Indian mills was intended to afford protection to hand-loom weavers and such protection would be greatly discounted if any refund were given to mills on account of the foreign yarns used by them.

39. Duty on goods imported by Railways :—

At the initiative of one of the members of the Committee a letter was addressed to the Collector of Customs, enquiring (1) if stores imported by state-owned but company—managed railways were liable to Customs Duty, and (2) if the railway companies were given rebate of 10 per cent. by Customs authorities on all rubber goods imported by them which were of foreign origin. In reply the Collector of Customs stated that the High Court of Bombay had recently decided in the case instituted by the G. I. P., Railway against the Secretary of State that the stores imported by the G. I. P., the E. I., and the B. B. & C. I., railways were entitled to entry free of duty under the proviso to section 20 of the Sea Customs Act as they were in effect the property of Government when landed. It was added, however, that the Government of India were appealing to the Privy Council against the decision of the Bombay High Court. In reply to the second query the letter stated that rubber goods imported by railways which satisfied the definition of "component parts of railway materials" were assessable at 10 percent. *ad valorem*. Rubber goods not coming under the definition of "railway materials" would be assessable either at 30 per cent. or at 15 percent under items Nos. 130 and 135 respectively of the Tariff. In view of this reply, a letter was addressed to the Government of India, Department of Commerce, enclosing copies of correspondence between the Chamber and the Collector of Customs on the subject and suggesting that even the Government stores should not be imported free of duty because as matters stood at present there was likely to be a great deal of complication specially with regard to the indenting of stores on account of the railways or the Government. At present the Government Officer in charge found that it was cheaper to purchase in England than in India to the extent of the duty. Again, according to the Committee's information the C. I. F., rates were added to the quotations for English and foreign stores and their prices had to be compared with the prices of local articles. The Committee feared, however, that in practice that was not done and that the comparison was made between the prices of local articles and the prices of foreign articles ex-duty. The absence of

assessment of Government stores for Customs duty purposes tended also to vitiate the statistics of Government Accounts as, if the usual duty were added, the imports of Government stores would seem to be much more than what they did now. Under the circumstances the Committee suggested that the Government would be pleased to consider the advisability of amending the Sea Customs Act so as to take away the exemption of Government stores and State railways from Customs duty. The matter is yet under serious consideration of Government.

40. Time Limit for transhipment of goods free of duty :—

A letter was received from the Collector of Customs, Bombay, No. S. R. 4252, dated the 28th September 1923, inviting the attention of the Committee to the provisions of the Sea Customs Act regarding transhipment. It was suggested that in order that the closing of ship's manifests might be effected more expiditiously with fewer references it had been found desirable to prescribe a limit within which the privilege of transhipment of goods free of duty could be effected. He did not of course propose to place any unreasonable restrictions on transhipment which might divert trade from Bombay and forwarded for the Committee's remarks the draft rule which he proposed to recommend to the Chief Customs authority to issue. It was pointed out that the effect of this rule would be that if transhipment be not effected within one month or in special circumstances 6 weeks the cargo would then be on the same footing as locally imported cargo and would in due course become liable to be disposed of under the Port Trust or Sea Customs Acts while to send it to its distination would involve payment of duty with the right to export under claim for drawback. The extended period of 6 weeks would not ordinarily be allowed unless it were shown that an on-carrying vessel was not available earlier. In reply the Committee stated in their letter No. T. 1112, dated 22nd October 1923, that they had no objection to the above proposal provided the extended limit under special circumstances was raised from 6 weeks to 8 weeks. In reply to the above letter the Collector of Customs forwarded for the information of the Committee a copy of his letter addressed to the Chamber of

Commerce, Bombay, informing them that he agreed to their proposal to fix the period of transhipment at two months from the date of the arrival of importing ships and that in the case of ports that were closed during the south-west monsoon an extension of 6 weeks after the opening of such ports should be granted.

41. Revision of Tariff Valuations :—

The Committee of the Chamber had an interview with Mr. C. G. Freke, I. C. S., Director General of Commercial Intelligence, India, on 29th November 1923 to discuss with him the Provisional Tariff Rates as fixed at the Conference of Appraisers held at Calcutta on 26th October 1923.

42. Rebate on Exports of coal from South Africa :—

A letter was addressed to the Government of India, Commerce Department on 25th April 1923 stating that the South African Government was giving a rebate of 8s. 6d. in respect of coal shipped as cargo overseas beyond South West Africa from ports Natal and Laurenzo Marques. The Government of India were requested to be good enough to inform the Committee if they were aware that such a rebate was being given and if so what was the attitude of the Government with regard to it. A reply was received (25th May 1923 No. 3057) that the Government of India were informed that a rebate of Railway freight amounting to 7s. 9d. per ton was given on coal exported from South Africa. This rebate was an indirect bounty on the export of coal and under section 8A of the Indian Tariff Act of 1894 as amended, the Governor General in Council might impose on coal imported into India from South Africa an additional duty equivalent to the amount of the bounty. They had decided however not to take this course nor did they think that the consumers in Bombay would desire them to do so. It was also added that in spite of the imports of foreign coal into India the supply of wagons to the Bengal, Bihar and Orissa coalfields was still not equal to the demand. The Committee again wrote a letter suggesting that a duty equivalent to the amount of the bounty should be imposed on coal imported into India from South Africa when a sufficient supply of Railway wagons was available and in the meanwhile they would like

to know when the supply of wagons to the Bengal, Bihar and Orissa coalfields would be equal to the demand. (Vide also items 71,72).

43. Proposed amendment of the Indian Income-Tax Act, 1922 to prevent the avoidance of super-tax by the formation of bogus companies and firms:—

A letter was received from the Government of India, Finance Department, No. 196-S, dated 23rd July 1923 on the above subject stating that it had been brought to their notice that a tendency to attempt avoidance of super-tax was showing itself by the formation of bogus firms and private companies in which the partners and shareholders respectively were the wife and children of owners of the business even where the children were minors. Instances had also occurred in which the principal shareholders in private companies received a large personal income without liability to super-tax by taking from the companies large loans without interest-a procedure which was in reality distribution of profits. The loss of revenue which was being incurred by the constitution of such bogus firms and private companies was already not inconsiderable and was likely to increase, while complaints had also been made that the ordinary firms which paid the full quota of tax were heavily handicapped in their business as compared with those which escaped. The Government of India were therefore of opinion that the question of preventive measures and of initiating legislation for the purpose should be considered. So far as a firm was concerned the Government of India were disposed to think that the object could probably be achieved by laying down that where the interest of any partner was in reality fictitious and had been created chiefly with reference to the distribution of profits such interest for the purpose of assessment to super-tax should be deemed to be the interest of the remaining partner or partners and in particular that the interest of a wife or children in such cases should be deemed to be the interest of the husband or father, respectively. But while urging legislation for such firms the Government of India wished it to be clearly understood that there was no question of interfering with firms in which all partners were genuine and which represented a

pooling of ability or resources for the genuine purposes of the business. In particular the position of the salaried partner where he was a real partner would be recognised as such even though his interest be limited.

Two methods of dealing with cases of private companies had been considered: (1) To add a section to the Indian Income-tax Act of 1922 on the lines of section 21 (with its schedule) of the British Finance Act of 1922, or (2) To declare that for the purpose of the Income-tax Act a private company should be deemed to be a registered firm. The Government of India were disposed to consider that the Indian Income-tax Act should be amended in accordance with the British legislation on the same subject. They did not propose to give Income-tax officers any powers in this respect but would lay down that where an Assistant Commissioner of Income-tax considered thht any private company had not distributed a reasonable part of its income from all sources for a given year he might for the purpose of assessment to super-tax direct that the income of the company should be deemed to be the income of the members the amount being apportioned accordingly. An appeal would lie with the Commissioner of Income-tax and it might be possible to provide for it to be reheard by a provincial Board of Referees. It was also stated that a careful definition of what was meant by a private company would be made and it was proposed to adopt the provisions of Section 21 of the British Finance Act 1922, and of the Indian Companies Act, 1913, for the purpose. As the question of avoidance of taxation had only arisen since the super-tax Act of 1920 was enacted it was intended that only private companies which were formed after 1st April 1920 should be brought within the purview of the proposed legislation. The Government of India were anxious that the proposals contained in their letter should be scrutinised as closely as possible and they invited the views of the Chamber regarding both the necessity for legislation and the form which the legislation should take and in particular the feasibility of establishing Boards of Referees who would command the confidence of the commercial community.

In reply the Committee in their letter No. T. 1118, dated the 24th October 1923, stated that while they were not in favour of any attempt to evade taxation they feared the proposed legislation might act as a hardship in several genuine cases and with that object they suggested that although there might be some companies which were unfairly accumulating their profits there were certain small companies existing largely on borrowed capital and with very small capital of their own which if their trade was to progress were bound to put aside and accumulate almost the whole of their profits for future contingencies except the small amount which the proprietors needed to live upon. However it was difficult to draw a line of distinction between the two cases. With regard to partnership firms the Committee stated so far as the partners of firms either brought in ability or resources they should be treated as registered firms for the purpose of assessment. They proposed that the adult son or sons of a partner as well as the minor son or sons could succeed the deceased partner and a minor child or children having a genuine interest in the business because of the legal succession should be treated as partners in a duly constituted registered firm. It was pointed out that in the interests of the business it was essential that adult son or sons should be allowed to be a partner or partners during the lifetime of his or their father without bringing in resources. Similarly if a wife either brought in resources or ability she could be considered as a genuine partner in the partnership deed and the partnership consisting of the husband, wife and adult sons should be considered as a genuine partnership for the purpose of assessment of Income-tax and Super-tax. In case a widow succeeded a partner of a firm the Committee saw no reason why for the assessment purposes such partnership could not be registered. However each case would have to be decided on its own merit and no particular provisions could be laid down for them but the intended legislation should define the constitution of such firms to avoid ambiguity or misapplication of the provisions of the Act. With regard to private limited companies it was pointed out that the proposed legislation should apply to all private companies formed and registered be-

fore 1920 or after that date and there was no special reason why the amendments should apply only to private companies formed after 1st April 1920. Such an amendment, it was stated, would seriously prejudice *bonafide* companies registered after 1920, and any such enactment would be contrary to the spirit of law and equity. It was suggested that the definition of private limited companies should be the same as laid down in the Indian Companies Act 1913, Section 2 sub-section 13. It was further pointed out that in para 5 of the 1st Schedule to Section 21 of the British Finance Act it was stated with regard to the certificates to be given by an auditor and in this connection it might be suggested that the term "Auditor" applied to every person who was qualified under the Indian Companies Act 1913 and the powers and functions of such auditors should not be confined to or restricted to the number of exempted societies. The Committee also proposed that it should be clearly defined that the assessment of private limited companies under the proposed legislation should be levied by the Assistant Commissioner of Income-tax against which appeals should lie with the Commissioner of Income-tax and if the Assessee was not satisfied with the orders of the Commissioner it was suggested that an application should be made to the Board of Referees whose decision in the matter would be final. The Committee suggested that instead of a Board of Referees provision should be made in the Act that if a party was aggrieved by the orders of the Commissioner of Income-tax reference should be made to the High Court and the matter should be dealt with not in the open Court but in Chamber by a Chamber Judge. Lastly it was suggested that wherever possible such relief as was granted in the United Kingdom under Section 49 should similarly be granted in Native States.

(Vide also items 8,51)

(E) COLONIAL QUESTIONS

44. Retaliation against the Colonies:—

At the Extraordinary General Meeting of the Chamber held on the 18th February 1923 it was resolved to request the Chamber's representative on the Indian Legislative Assemby to

move in the Assembly the following resolution on behalf of the Chamber and to address a separate representation to the Government of India, Commerce Department, on the lines of the said resolution:

RESOLUTION.

"This Assembly recommends to His Excellency the Governor-General-in-Council :—

(1). That the conditions of entry into this country should be in the case of any colonials absolutely identical in every respect with the conditions to which Indians are subjected in each such colony from which they come,

(2). That the conditions of domicile and of naturalisation in this country by any colonials should also be absolutely the same as those to which Indians are subject in the colonies from which these individuals come;

(3). Absolute prohibition against the admission in any of the Imperial Services or in any services under Local bodies or provincial Governments which are paid for from the revenues of this country of any citizens of the colonies;

(4). Absolute prohibition to the admission in Indian harbours of ships owned by companies registered in the colonies or manned by officers and crew who are citizens of any of the Colonies; and

(5). The levy of double the ordinary rates of Customs Tariff on all imports from colonies where there are any restrictions of any kind against Indians,

with a view to retaliate against the Colonies which are meting out unsatisfactory treatment to Indians."

In pursuance of the above resolution a letter was addressed to the Government of India, Department of Education, Health and Lands, enclosing copy of the resolution of which Mr. Man-

mohandas Ramji, Chamber's representative on the Legislative Assembly had given notice to move in the Assembly. The General body of the Chamber had thought it their duty as a last resort to take action on the lines suggested in the resolution as being the only constitutional means left to them to move and agitate in this direction. The Chamber had been interesting itself in the question of grievances of Indians in the Colonies since its very inception as a large number of Indian emigrants and settlers consisted of traders and that too, traders generally from the Bombay Presidency. The Chamber viewed with natural alarm and anxiety the efforts on the part of different Crown Colonies and self-governing Dominions to place more and more handicaps on Indian traders with a view of ultimately eliminating their trade and ousting them from these places. The Committee, it was added, were fully aware of and recognised the efforts which had been made by the Government of India in the past to safeguard the rights and privileges of Indian emigrants in the Colonies. They, however, firmly believed that the time had come when the Government of India should move further and identify themselves more firmly and strongly with the Indian people by accepting such a resolution as had been forwarded to the Assembly by the Chamber's representative. The Committee hoped that they did not give away any official secret when they stated that the Government of India themselves were once considering seriously the form in which retaliation could take place. The resolution laid down definite ways and means suggested by the general body of the Chamber for retaliating against the recalcitrant Colonies. Lastly the Committee hoped that if the Government of India put the case of Indian emigrants and residents in the Colonies very strongly before the Imperial Government there would be no necessity for even resorting to the various remedial and retaliatory measures proposed in the resolution.

In reply the Committee were informed that the matter would come up for discussion in the Legislative Assembly on the 10th July in connection with Rai Bahadur Bakshi Sohanlal's resolution on the same subject.

45. Indians in Tanganyika:—

Several telegrams were received by the Committee from the Indian Association, Dar-essalam, drawing their attention to the promulgation by the Tanganyika Government of 3 new commerce-taxing Ordinances which pressed heavily specially upon Indian settlers and Indian traders. Copies of these telegrams were forwarded by the Committee to the Government of India, Dapartment of Education, Health and Lands requesting the Government to let them know what action they had taken or proposed to take in the matter. A reply was received to the effect that the Government of India were closely following the progress of events in Tanganyika Territory and had communicated to the Secretary of State their views on the three new Ordinances. The Committee also wrote to the Indian Association, Dar-e-ssalam saying that they fully sympathised with the grievances of their countrymen in Tanganyika and earnestly hoped that a speedy settlement of the question would soon put an end to the sufferings and hardships of the Indian population residing in Tanganyika.

46. Indians in Natal :—

A telegram was received from the Natal Indian Congress, Durban, stating that Land Ordinance passed was calculated to establish the principle of segregation in boroughs and townships and that this and the rural Licensing Ordinance were before the Governor General for sanction. the Congress deputation was proceeding to Cape Town to represent the Indian views and the Natal Indians appealed to Indian Public and the Government of India for pressure on the Union Government to refuse sanction to these Ordinances. The Committee of the Chamber forwarded these telegrams to the Government of India, Department of Education, Health and Lands with a request that they would be pleased to let them know what action they had taken or proposed to take in the matter. A reply was made to the effect that Government had made representations to the Government of South Africa in regard to the Ordinances in question.

A letter was received from the Hon. Secretary, Natal Indian Congress, enclosing copy of a statement presented to the Minister of Interior in Cape Town by a deputation from the Congress putting forward the Indian claims. The letter stated that the interview was not encouraging. The Minister while admitting the justice of the Indian claims sought refuge in the recommendation of the Asiatic Enquiry Commission in that, that Commission had recommended a form of Appeal Board which the Natal Provincial Council incorporated in the Rural Dealers' Licensing Ordinance against which they were opposed on the lines and for the reasons indicated in their statement. The Minister in relying on the Commission's recommendation on the Licensing Appeal Board forgot that the Government had gone beyond the recommendation of the Commission in sanctioning the Land Ordinance of Durban which laid down the principle of compulsory segregation in so far as unalienated lands of the Municipality were concerned. A similar measure was before the Government in regard to lands in other boroughs and townships which was also a subject of the deputation. In any case the Indians had never at any time accepted the recommendations of the Commission. The Chamber was requested to do whatever was possible on their behalf. It was resolved to send a copy of the resolution which Mr. Manmohandas Ramji, Chamber's representative on the Indian Legislative Assembly, was going to move urging retaliatory measures against the recalcitrant colonies.

47. Indian trade in East Africa:—

A letter was received from the Secretary, Indian Merchants' Association, Nairobi, with reference to the position of Indian traders in East Africa which according to him was steadily growing worse. Until the year 1910 nearly all the trade of the country was in the hands of Indian merchants including both import and export business. Since then, the letter stated, it had been slipping out of Indian hands gradually but persistently until now it had entirely passed into European hands. According to the correspondent many causes contributed to bring about this result. Indian merchants exhibited a deplorable lack of enterprise, many of them dabbled in

money-lending and neglected their legitimate calling and allowed the Europeans to capture their trade. The influence of European banks, the indifference of Indian merchants to the African markets and carelessness in the packing of goods displayed by Indian exporters were also responsible for this loss of trade. It was resolved to publish this letter in the Quarterly Journal of the Chamber. It was accordingly dealt with editorially in the July issue of the Journal.

48. Kenya :—

After the decision of His Majesty's Government regarding Kenya, a telegram was addressed to the Private Secretary to His Excellency the Viceroy stating that the decision was most unexpected and unjust in face of declaration of equal status within the Empire at the Primiers' Conference 1921. The decision undoubtedly pointed out to the Empire for white men and India would have no option left but to refuse to indentify herself with the Empire hereafter. The minimum Indians could expect His Excellency to do was to vindicate this affront to her by every means including effective retaliation within their power. It was also resolved to join the Public Meeting which was to be held in this connection under the auspices of leading political and commercial Associations of Bombay.

In this connection a letter was received from the Bombay Provincial Congress Committee stating that they had passed a resolution to observe complete Hartal on Monday the 27th August as a protest against the above decision and requested the Chamber to do the needful. The Committee accordingly resolved to close the office of the Chamber on that day.

The Committee having resolved as a protest against the unjust Kenya decision of the British Cabinet not to participate in the forthcoming British Empire Exhibition, withdrew their representative Mr. J. K. Mehta, Secretary, from the above Committee.

49. Boycott of British Empire Goods:—

A letter was received signed by three members of the Chamber drawing the attention of the Committee to the keen feeling of the whole of the Indian commercial community regarding the Kenya

situation. They had noted that the Committee had joined the public meeting convened under the joint auspices of several associations. It was pointed out however that all this should not prove enough and they suggested that the Committee should arrange to convene a conference of all Indian Chambers of Commerce and Commercial Associations to consider the ways and methods and concert measures for taking retaliatory steps against Great Britain and British Colonies, especially boycott of British Empire goods.

It was resolved not to take any action on this letter until the Committee proposed to be appointed at the public meeting held at the Town Hall had made its suggestions and they were fully considered by the Committee.

In this connection a letter was received from Mr. J. B. Petit, Chairman of the Committee, appointed by the Conference representing different political associations and schools of thought in the city held in the Servants of India Society, requesting the Committee of the Chamber to nominate their representatives on that Committee to consider the question of boycott of British Empire goods. It was resolved to nominate Messrs. Devidas Madhavji Thakersey, Walchand Hirachand, Manu Subedar and Vithaldas D. Govindji as the Chamber's representatives.

Mr. Manu Subedar having resigned as Chamber's representative on the Boycott Committee Mr. M. M. Amersey was nominated in his place. It was also resolved to request the representatives of the Chamber on the Boycott Committee not to sign their report before it was considered by the Committee of the Chamber.

(Vide also items 35, 42.)

(F) PUBLIC ENQUIRY COMMITTEES AND COMMISSIONS.

50. Constitution of the Tariff Board :—

After the constitution of the Tariff Board was announced a letter was addressed to the Department of Commerce, Government of India, No. T. 763, dated 16th July 1923 stating that the Committee

had noticed a serious deficiency in the constitution of the Tariff Board in the absence of any Indian industrialists. Since the Board was constituted for a year only they reserved their detailed suggestions till later on but they respectfully drew the attention of the Government to the provision for co-option contained in the resolution adopted by the Indian Legislative Assembly on 16th February, 1923 and trusted that the Government of India would make full use of that provision.

51. Tariff Board—Protection to Steel industry :—

In response to the Press communique No 35 dated the 17th July 1923 issued by the Secretary, Tariff Board, inviting the opinions of firms or persons interested in the Steel industry or the industries dependent on the work of steel with regard to the question of extending protection to the Steel industry, a letter was addressed to the Tariff Board stating that the Committee had not the advantage of having before them the suggestions of the manufacturers of steel in this country but they had an opportunity of reading the evidence given by Messrs. Tata Iron and Steel Co., Ltd., before the Tariff Commission from which evidence it was conclusively demonstrated that the steel industry in India was worth preserving against the attacks to which it was at present exposed from dumping by foreign producers. That both from the standpoint of military necessity of the country as well as that of the ordinary consumers in industries of every description the steel production as a key enterprise was to be saved from the critical situation in which it had been put by the depression of trade after the war. The Committee showed their willingness to communicate their views on any specific proposal as to the effect of any particular form and degree of protection on prices as well as the financial aspect of any bonus on production which might be given to manufacturers of steel. Both these forms of protection had been warmly recommended by the Committee in principle and it was the decided opinion of the Committee that all temporary increase in prices would be more than off-set by the permanent establishment of the productive strength in that direction and that if consuming public and industries con-

cerned could put up with very much higher prices during the war there was no reason why they should object to a certain amount of temporary burden for such an esteemable object. As consumers of steel the Committee felt that it was definitely suicidal to wish to acquire any small immediate lots which might have been dumped down by foreigners for their own purposes or inimical programme when such lots were available at prices below the cost of production of steel in this country. This principle had been recognised to such an extent not only in countries like the United States and Japan who had been vigorous protectionists but even in the United Kingdom in some of the provisions of the Safeguarding of the Industries Act of 1920 that no Government with any pretence of taking care of the prosperity of the population could allow the consumption of any article in the country cheaper than it could be produced in this country or even the country of its origin. As a general rule the Committee would not favour a permanent protection but would favour a sliding scale by which duties could be levied at the start and would go on gradually reducing at the end of every five years until in 20 years they were completely withdrawn by a gradation laid down from the start. The amount realised by such duties ought to be given to the industries concerned by way of bonus.

In this connection Messrs. Lalji Naranji and Manu Subedar gave oral evidence before the Tariff Board on 27th November 1923 on behalf of the Chamber.

52. Indian Mercantile Marine Committee:—

In reply to the questionnaire of the above Committee, the Committee of the Chamber in their memorandum of written evidence strongly supported the establishment of an Indian Mercantile Marine and suggested for the purpose

(a) The creation of a suitable body for fixing minimum and maximum rates;

(b) The declaration of deferred rebates system as illegal;

(c) The reservation of coasting trade for indigenous shipping concerns; and

(d) The employment of a certain proportion of Indians in the navigation and engineering branches in all shipping concerns licensed to operate in Indian bottoms.

They also stated it as their considered opinion that serious attempts should be made to establish a Government line between India and Europe primarily for the carrying of mails but also to make available proper conditions of freight for Indian trade. In view of the financial conditions of the Government of India they could not recommend any immediate action on these lines but they were of opinion that this goal should be kept in view to be obtained within, say, five years. In the meanwhile efforts must be made to encourage and develop private shipping and shipbuilding industries. In support of this written evidence, Messrs. Lalji Naranji and B. F. Madon gave oral evidence before the Indian Mercantile Marine Committee on 30th November 1923.

53. Stock Exchange Enquiry Committee :—

Mr. Manu Subedar on behalf of the Chamber submitted a lengthy momorandum to the Stock Exchange Enquiry Committee suggesting various remedies for the reform of the Stock Exchange. The full text of his written statement has been published in the January (1924) issue of the Chamber's Quarterly Journal. In this connection Mr. Subedar gave oral evidence on behalf of the Chamber on the 12th December 1923.

54. Royal Commission on the Superior Civil Services in India :—

A letter was received from the Government of Bombay, Finance Department forwarding copy of the questionnaires of the above Commission and requesting the Committee to forward their views to that Commission. The Committee forwarded their replies to the above questionnaires, the full text of which has been published in the January (1924) issue of the

Chamber's Quarterly Journal. In this connection the Honourable Mr. Phiroze C. Sethna and Mr. Jehangir B. Petit gave oral evidence before the Commission on the 15th December 1923.

(G) TRADE AND INDUSTRIAL LEGISLATION.

55. Licensing of Cotton Gins and Presses :—

A letter was received from the Government of Bombay, Revenue Department, enclosing for the opinion of the Committee of the Chamber a copy of Government Resolution, Revenue Department, No. 103-C. dated 14th November 1922, on the subject of the proposed legislation regarding the licensing of gins and presses. The Committee in reply stated that they generally agreed with the purport of the Government resolution but would however, like that the Local Government would be pleased to consult local bodies regarding rules when they were framed.

56. Indian Boilers Bill :—

A letter was received from the Government of Bombay, General Department, enclosing for the opinion of the Committee of the Chamber a copy of the Government resolution No. 391 dated 2nd October 1922 regarding the draft bill to consolidate and amend the law relating to steam boilers. The only important respect in which the bill diverged from certain of the existing acts and from the Bombay Act in particular was in regard to the employment of certified boiler attendants. The Committee of the Chamber disapproved of that innovation proposed to be introduced by the Bill as in their opinion under the provisions of the existing law the employment by owners of boilers of certified attendants was necessary. The Committee further stated that certificates were necessary in the case of persons placed in charge of these highly technical vessels under pressure and recommended that the necessary changes would be made in the Bill.

57. Workmen's Compensation Bill :—

A letter was received from the Government of India, Department of Industries, enclosing for the opinion of the Chamber a copy of the Workmen's Compensation Bill. The Committee in reply ex-

pressed themselves generally in favour of the principle of legal recognition of employers' liability to workmen and of the views expressed by the Government of India in their letter No. 1959 of 29th July 1921. With regard to the detailed clauses of the Bill the Committee of the Chamber made some important suggestions.

58. Amendment of the Indian Factories Act:—

A letter was received from the Government of Bombay, General Department, No. 741-5006/D, dated 21st June 1922 enclosing copy of a letter from the Government of India, Department of Industries and Labour, regarding necessity of further amending the Indian Factories Act, 1911, and inviting the views of the Chamber thereon. The amendment related to rest intervals. The main arrangement contemplated by the existing provision is that operatives should have atleast one interval of an hour during the day's work. It is possible under the provision of section 21 (1) (a) (ii) if the employees concerned so desire to substitute for this hour two periods of half an hour each. The Government of India believed that the intention of the select Committee on Act 11 of 1922 who were responsible for this provision was that where the employees consented to the arrangement the two half hour intervals could be distributed throughout the day in any manner that was found to be convenient provided that no employee was required to work for more than five hours at a stretch, But a strict interpretation of the working of that provision did not permit of this latitude and that it was necessary, in order to comply with the provisions of the section, that the employee should have enjoyed intervals amounting to atleast an hour in the aggregate before the seventh hour of work had commenced. It would therefore appear desirable that the Act should be amended in such a manner as to restore what the Government of India believed to have been the intention of the legislature. The Government of India also observed that where objections had been received to the introduction of the new arrangement they had come generally from factories of industries in which the working day was comparatively short. It must be admitted that where

the daily hours of work did not exceed 8 or 8½ hours the need for a long interval of an hour was not so great as in factories which worked 10 hours a day. It had been suggested to the Government of India that a possible amendment would be to provide that when men were worked not more than 8½ hours a day instead of 10 hours, which was the normal average length permitted by the Act, the interval of rest might be reduced to half an hour either by a specific provision to that effect in the Act itself or by the grant of permissive power to the Local Government to effect the reduction. In reply the Committee in their letter No. T.306, dated the 27th July 1923 stated that the difficulty with regard to rest intervals during the day could be solved by enacting—

(*a*) That at the request of the employees concerned there should be two periods of rest of not less than half an hour each distributed throughout the day in such a manner that no person should work for more than four hours continuously ; and

(*b*) With regard to the difficulty mentioned by the Government of India it was not clear why employers whose hours of work did not exceed 8 or 8½ hours should be so anxious to reduce the interval of rest. A factory would run on any how for 8 or 8½ hours and half an hour's difference in the interval of rest would not affect the factory adversely. Any how if the above amendment suggested by the Committee was put into effect, a factory working for 8 hours would be able to reduce its interval of rest to half an hour if it divided its period of working into two shifts of four hours each.

59. Bill to amend the Indian Stamp Act :—

The Committee were consulted by the Government of Bombay with regard to the above bill. In reply the Committee stated notwithstanding the strong and emphatic protest against enhance-

ment in Stamp duty on promissory notes it had been proposed in the Bill to enhance it to 2 annas on promissory notes when the amount was less than Rs. 250/- and in any other case to 4 annas. They reminded the Government of their observations made in their letter of 13th June 1922 No. T. 539.

60. Revision of Rules to provide for new modes of packing yarns:—

The Collector of Customs, Bombay wrote to the Committee (10th April 1923 No. 776028) stating that for some time back importations had been made of single or double twofold yarn reeled in double hanks. Under the rules now in force under the Merchandise Marks Act, (vide rule 3 on page 12 and Rule 31 on page 34 of the Merchandise Marks manual, edition 1921,) only atandard hanks of 840 yards were permitted and no provision had been made for double hanks of 1680 yards which consequently did not confirm to the ratios provided in these rules. It was found necessary now to revise rules which were framed many years ago in order that new modes of packing may be provided for. These rules were revised in the light of suggestions made by some British Associations and Chambers of Commerce. The Committee were requested to send their opinion on the proposed amendment for the consideration of the Government of India. The Committee in reply stated that they had no objection to the proposal for the revision of rules under the Merchandise Marks Act so as to provide for the new mode of packing yarn in double hanks.

61. Measures for Prevention of the Introduction of the Boll-Weevil into India:—

A letter was received from the Secretary, Indian Central Cotton Committee stating that during the last year the Central Cotton Committee had under consideration the question of the danger of the importation of the American cotton Boll-Weevil into India in imports of American cotton. As a remedy against this evil fumigation with hydrocynic gas was suggested and to reduce the cost of fumigation it was further suggested to

restrict the imports of American cotton to a single port namely, Bombay. In reply the Committee stated that they agreed with the measure suggested till a real case of hardship was made out by any of the consumers.

62. **Open Cotton Markets:—**

A letter was received from the Indian Central Cotton Committee dated 11th April 1923 No. 1149/10 of 1923 in which after stating the advantages of the Berar Markets it was observed that the success of Cotton Markets must largely depend on their being opened in places where producers themselves would use them. While some information had been collected from Agricultural Departments the Central Committee felt that different sections of Industries and in particular individual cotton merchants could probably give much valuable advice and information as to where it would be possible to open new cotton markets with a reasonable likelihood of success. The views of the Committee were invited on this point. In reply the Committee stated that in their opinion the Central Cotton Committee ought to consider the question of organising cotton market system at places where cotton was being marketed at present instead of thinking of opening new cotton markets just now. It was expected that the Central Cotton Committee was in possession of the names of such places where such organisations could be started immediately without waiting to collect information of new market centres.

63. **Invitation by a foreign firm to subscribe without prospectus or Articles of Association:—**

A member drew the attention of the Committee to certain papers issued by a foreign concern inviting people to subscribe without the prospectus and the Articles of Association or without the company being registered. The Committee forwarded this letter to the Registrar of Joint Stock Companies and requested to inform them if such papers were in order or otherwise. The Registrar of Joint Stock Companies replied that the foreign companies in question were duly

incorporated in the United States of America and had filed with him the documents required by section 277 of the Indian Companies Act. The Committee, therefore, addressed the Government of India, Department of Commerce, saying that this would mean that people here were helpless against such prospectuses issued by foreign companies which had no other check placed on their activities. The Government of India were requested to state if their attention had been drawn to such instances and if so whether they contemplated taking any action in the matter in the way of amending the Indian Companies Act.

In reply to the Committee's letter No. T. 520, dated the 25th May, the Government of India, Department of Commerce, in their letter No. 3267, dated 8th June 1923, informed the Committee that their attention had not previously been drawn to the prospectus mentioned. The Indian Companies Act was administered by Local Governments as agents of the Government of India and therefore it would be convenient if the proposals of the Chamber in the matter were submitted through the Government of Bombay. A letter was accordingly addressed to the Government of Bombay, Legislative Department, No. T. 696, dated 6th July 1923, enclosing copies of correspondence passed between the Committee and the Registrar of Companies, Bombay, and enquiring if the attention of the Government of Bombay had been drawn to the same and if so, whether they contemplated taking any action in the matter in the way of suggesting amendments to the Indian Companies Act. In reply the Committee were informed by the Government of Bombay, Revenue Department, by their letter No. 7284, dated 19th July 1923, that their attention had already been drawn to the affair. It was added that the Registrar of Companies, Bombay, had been instructed to meet the Chamber for the purpose of discussing the measures to be adopted for counteracting the attempts of unsound foreign companies to collect capital in this country. In this connection the Secretary of the Chamber had an interview with the Registrar of Companies and after a long discussion he gathered from him the conclusions that it was not possible for the Government to take any action under the Indian Companies Act as it stood at present and also it was not possible to

suggest amendments therein which would enable the Government to act in such cases in future. Thereafter a letter was received from the Registrar of Companies, No. 1029, dated 4th August 1923, enquiring whether the Chamber was able to put forward any suggestions for the prevention or curtailment of the collection of capital for bogus foreign companies. In reply he was informed that the Committee had no suggestion to offer at the time as they were going through the question and would let him know when they formulated any definite proposals.

64. Form "G" of the Indian Companies Act, 1913 :—

A letter was addressed to the Government of India, Commerce Department, No. T. 920, dated the 20th August 1923, drawing their attention to the great inconvenience experienced by banks registered under the Indian Companies Act in publishing form "G" under section 136 (1) of that Act. In view of the fact that all such banks were required to publish a *pro forma* balance sheet in form "F" which was completely exhaustive, the Committee believed that form "G" in which comparatively unimportant and unnecessary information was required to be published should be done away with altogether. Again section 136 (1) laid down that form "G" should be published on the first Monday in February and first Monday in August. The provision caused unnecessary and advoidable inconvenience to those banks whose financial half-year did not end in December and June. The Committee therefore suggested the following amendments in Section 136 (1) of the Act :—

(1) The words "form marked G" be altered into "form marked F" and (2) the words "on the first Monday in February and the first Monday in August in every year" be omitted and the following words be substituted viz., "within six weeks of completion of every six months of the company's financial half-year."

The Committee also emphasized their contention which they had put forward in their reply to the Government of Bombay No. T., 365

dated the 15th January 1921, on the question of legislation regarding banks and banking that " it should be made obligatory on all foreign exchange banks to publish an audited half-yearly balance sheet of the business they are doing in India." The Committee felt that the amendment of the India Companies Act in this direction had been long delayed and was urgently called for. The Committee finally requested the Government of India to take early steps to amend the Indian Companies Act as suggested above.

In reply to the Committee's letter dated the 20th August 1923, a letter was received from the Finance Department, Government of India, No. 805-A, dated 16th October 1923 stating that the views of the Chamber had been noted and would be taken into consideration if an occasion arose to amend the Act. In reply the Committee in their letter No. T. 1144, dated 30th October 1923, stated that they felt that the amendments proposed by them were urgently called for and therefore they suggested that the Government of India should bring in a special Bill for amending the Indian Companies Act in the directions suggested by them in their previous communication.

65. Insurance Legislation in India :—

The Committee sent their various suggestions with regard to Insurance Legislation in India to the Government of India, Department of Commerce, requesting them to take early action in regard to as many of them as possible without any loss of time

66. Patents of Imperial validity :—

A letter was received from the Government of India, Department of Industries and Labour, enclosing a copy of the report of a Conference held in June 1922 of the representatives of the Patent Offices of His Majesty's Dominions and India to discuss the question of instituting a system of granting patents which would be operative throughout the Empire. The disadvantages of the present system by which an inventor, in order to obtain protection throughout the Empire, is compelled to take numerous different patents at considerable expense, have for a long time impelled the Patent Experts and

others interested in the subject to consider whether any scheme for a single Empire Patent can be devised. To overcome these disadvantages it has often been suggested that there should be an Empire Patent. The Conference drew up the following scheme :—

(*a*) The existing rights of the United Kingdom, the self-governing Dominions and India to grant patents in accordance with their laws and within their own territories to be maintained in full.

(*b*) The establishment of a Central Patent Office for the reception and examination of applications for, and the grant of, patents which shall extend to the United Kingdom, or to any of the self-governing Dominions, or to India, upon registration in the particular territory in which protection is desired. The application for registration to be open to opposition before registration is actually effected.

(*c*) The Central Patent Office, in examining applications submitted to it, to make a search co-extensive with the field at present covered by the searches now made in the United Kingdom, the self-governing Dominions and India collectively.

(*d*) The scheme suggested above to be equally applicable to all the Colonies and Protectorates, subject to the qualification that the application for registration shall not be open to opposition unless the existing law makes provision for the hearing of opposition to the grant of patents, but in any case the local Courts to be empowered to declare that an exclusive privilege has not been secured in the territories within their jurisdiction.

(*e*) The fees for registration to be of such amount as would result in a considerable reduction in the total cost of obtaining patents throughout the Empire at the present time.

Although the Conference accepted this scheme it thought that owing to the difficulty of equipping a Central Office with all the necessary materials for the extended examination and for the time and expense which would be involved, a provisional scheme would be required in the meantime which was accepted in the following form :—

(*a*) Existing right of the United Kingdom, self-governing Dominions and India, to grant patents in accordance with their laws and within their own territory to be maintained in full.

(*b*) The patent obtained by examination and grant in the United Kingdom Patent Office to extend to any of the self-governing Dominions or to India upon registration in the particular territory in which protection is desired; the application for registration to be open to opposition, and to any lawful objection which the head of the Patent Office where registration is applied for may think fit to raise, before registration is actually effected.

(c) The scheme suggested above to be applicable to any of the Colonies and Protectorates with such modifications as may be suitable to local requirements and administrative machinery.

The Government letter discussed this scheme and invited the opinion of the commercial community and others interested in the subject on the question whether the principle underlying the scheme should be accepted. The Committee in reply stated that they could not approve of the provisional scheme with regard to Patents on the same ground as that on which Canada had rejected it *viz.*, that it contained no reciprocal provision for extension to the United Kingdom of patents granted in the Dominion.

67. Amendment of Criminal Procedure Code in respect of the powers of Presidency Magistrates :—

A letter was received from the Government of Bombay, Home Department, No. 4035. C, dated 14th July 1923, enclosing a copy of the Government of India's letter in the Home Department No. F.

188/23 dated the 7th June 1923, and inviting the opinion of the Chamber on the proposed amendment. According to the Government of India's letter this question arose in connection with an amendment proposed to be moved by Mr. K. Ahmed in the Legislative Assembly requiring the Presidency Magistrates to record the evidence briefly in cases other than those specified in Section 10, clause 94 of the Bill to amend the Code of Criminal Procedure. The Honourable the Home Member promised that the Local Governments and High Courts concerned would be consulted and on this understanding Mr. Ahmed withdrew his amendment. In reply the Committee informed the Government of Bombay that they approved of the Code of Criminal Procedure being amended as suggested by Mr. K. Ahmed.

68. Revision of Part I of the International Sanitary Convention 1912 :—

A letter was received from the Govrenment of Bombay, General Department, No 1701. D, dated 21st June 1923 inviting the opinion of the Chamber on the above question. The opinion of the commercial public was chiefly invited on Article 23 which laid down that all ships except those employed in coastwise services must be periodically deratised atleast once in six months. In reply the Committee approved of the Article.

(H) GENERAL TRADE & INDUSTRY.

69. Publication of the Daily list of Imports and Exports :—

In reply to a letter from the Government of Bombay, Revenue Department, the Committee stated that they had no objection to the discontinuance of the publication of the daily list of exports as suggested by the Collector of Customs, Calcutta.

70. Proposal to discontinue the publication of monthly Trade Returns of the Bombay Presidency in Part VI of the Bombay Government Gazette :—

A letter was received from the Collector of Customs, Bombay,

stating that in view of the urgent necessity for retrenchment and economy in all directions, he intended to recommend to Government the discontinuance of the above publications. These Returns, it was pointed out, could not be published punctually and they did not give comparative figures and he understood that very little use was made of them by the public. He therefore enquired whether the Chamber had any objection to his proposal. In reply he was informed that the Committee had no objection to the proposal.

71. Coal Conference (Vide also items 42,72):—

A letter was received from the Secretary, Indian Mining Federation Calcutta, saying that his Committee had for some time past been moving the Government of India in regard to certain matters which were likely to interest the Chamber. These matters were: (1) reduction of coal freight for long distance cargo, (2) restoration of export rebate on all coal shipped from Calcutta to inland or foreign ports; and (3) the imposition of a countervailing duty on the bounty-fed South African coal. It was stated that all these were measures which concerned as vitally the producers of coal as the industrial consumers whom the Chamber represented. Hitherto representations of the producing interests in these matters had not been productive of any result and it was felt that the only method now left open for a further pursuance of these subjects was to organise a concerted action of the leading producing and consuming interests in coal. One of the possible lines of action provisionally suggested was a deputation to wait upon His Excellency the Viceroy consisting of representatives of the Indian Merchants' Chamber, the Millowners Association, Bombay, the Indian Mining Association and the Indian Mining Federation of Calcutta. He inquired whether the proposed deputation had the approval of the Committee and if the Chamber would be in a position to nominate a representative to join this deputation. In reply the Committee informed the Federation stating that they were agreeable to the proposed joint deputation and had nominated the

Honourable Sir Purshotamdas Thakurdas, Kt., C. I. E., M.B.E., and the Honourable Mr. Lallubhai Samaldas, C.I.E., as their representatives. Thereafter a letter was received from the Mining Federation, stating that His Excellency the Viceroy while willing to receive the deputation had expressed a desire for the representatives of the Indian Mining Federation, the Indian Mining Association, and the Indian Merchants' Chamber to discuss matters with the Honourable Mr. Chadwick, Officiating Member for Commerce. The Committee were further requested to send one or two representatives to Calcutta to join the Conference with the Honourable Mr. Chadwick early in August. The Committee nominated Mr. Lalji Naranji, the Honourable Mr. Lallubhai Samaldas, C. I. E., and Mr. Walchand Hirachand as their representatives for the Conference but the Honourable Mr. Lallubhai Samaldas was not able to attend the Conference on account of other engagements. The Conference took place on 22nd August, a report of which appeared in the Press.

72. Coal situation (Vide also items 42,71) :—

A letter was received from one of the members of the Chamber drawing the attention of the Committee to the shortage of wagons for coal and the high freight rates and requesting them to do their best for the redress of these grievances. In view of the replies given by the East Indian and the Bengal Nagpur railways to the Indian Mining Federation expressing their inability to reduce the freight on coal it was resolved to request Sir Purshotamdas Thakurdas, Chamber's representative on the Legislative Assembly, to bring forward a suitable resolution on the subject in the Assembly.

73. Removal of godowns of Asafoetida from their present location :—

A letter was addressed to the Commissioner, Bombay Municipal Corporation, stating that the Committee were informed that action was being taken or proposed to be taken to have godowns of Asafoetida removed from their present location on the ground that the

trade was a 'nuisance. They were not aware of the exact definition of 'nuisance' to which plea the Municipal authorities appeared to resort when they wanted to have a particular trade commodity removed from a particular locality. In reply the Municipal Commissioner informed the Committee that they were under a misapprehension when they stated that it was intended to take action for the removal of all godowns where Asafoetida was stored from their present location. No such action was contemplated except in individual cases where bonafide nuisance might be caused. Though Asafoetida was a substance with a very nasty and foetid odour it was not intended to take action in all cases where it was stored within the Municipal limits but only in those cases where a genuine nuisance was created.

74. Royal Italian Commercial Attache:—

The Royal Italian Commercial Attache at Bombay having expressed his desire to have a meeting with those members of the Chamber interested in trade with Italy, it was resolved to call a meeting of such members of the Chamber to discuss with him various matters in connection with trade between India and Italy. A meeting of such members was accordingly held on 17th August 1923.

75. Disappearance of loaded bullock-carts in the City of Bombay :—

A complaint was received from one of the members of the Chamber in connection with the loss of bullock carts fully loaded in the city of Bombay. A letter was therefore addressed to the Commissioner of Police stating that the attention of the Committee had been drawn to the complaint of a member of the Chamber that instances were happening now and then of bullock-carts fully loaded disappearing in the city. Such thefts were facilitated, it was alleged, by the removal of tin-numbers from the bullock-carts and sometimes by the brass-buckles of the driver being taken away by some other people. It was not in any way a stray complaint but the Committee had received such complaints from several people engaged in trade and industries. They therefore requested the Commissioner of Police to

look into such complaints and to arrange for the eradication of all such thefts. In reply the Commissioner of Police drew the attention of the Committee to a notice issued in March 1920 and repeated in July 1921. The real remedy, it was added, lay in the hands of the merchants themselves viz., a careful check of every bullock-cart employed. It was mentioned in the notice referred to that in practically every case the guilty man had obtained wrongful possession either of the bullock-cart driver's badge or of the number-plate of labour cart and it therefore appeared advisable to the Commissioner of Police that merchants should warn their Mehtas and Godown-clerks never to employ a bullock-cart without satisfying themselves that the number-plate on the labour cart tallied with the number on the driver's badge.

In reply the Committee suggested that the number plates should be made irremovable and thought that for this purpose it would be better if cast-iron numbers were fixed on the carts as also that the numbers should be painted on the carts. This would remove the chance of any tampering with the number plates. In reply the Commissioner of Police in his letter No. 9018, dated 29th September 1923 informed the Committee that orders had been issued some time ago for the abolition of tin plates and the substitution of numbers painted on a board built into the carts.

(I) INTERVIEWS WITH GOVERNMENT OFFICIALS.

76. Interview with the Hon'ble the Finance Member of the Government of India:—

The Committee of the Chamber had an interview with the Hon'ble the Finance Member of the Government of India on Wednesday the 4th April 1923 to discuss with him certain questions relating to his Department. With him were also present the Honourable Mr. A. C. McWatters, Secretary to the Government of India, Finance Department, and Mr. H. Denning, Controller of the Currency. The full proceedings of the interview were published in the Press.

77. Interview with the Hon'ble Mr. D. T. Chadwick, C. I. E., I. C. S, Secretary to the Government of India, Department of Commerce :—

The Committee had an interview with the Hon'ble Mr. D. T. Chadwick, C. I. E., I. C. S., Secretary to the Government of India, Commerce Department on 5th April 1923, when several questions relating to his department were discussed. Sir Fazulbhoy Currimbhoy, Kt. C.B.E., President of the Chamber was in the chair. Full report of the proceedings appeared in the press.

78. Interview with Mr. W. Gaskell, I.C.S. Member of the Board of Inland Revenue :—

Some members of the Committee of the Chambar had an interview with the Member for Inland Revenue on Tuesday, the 28th August 1923 to discuss with him various points connected with the law and procedure relating to Income tax.

79. Interviews with Mr. G. L. Corbett, C. I. E., I. C. S., Secretary to the Government of India, Commerce Department:—

(*a*) The Committee of the Chamber had an interview with Mr. G. L. Corbett, Secretary to the Government of India, Department of Commerce, on Wednesday, the 5th September 1923 in the Office of the Chamber to discuss with him some important questions relating to his Department. Full proceedings of this interview were published in the October issue of the Quarterly Journal of the Chamber.

(*b*) The Committee of the Chamber had an interview with Mr. G. L. Corbett, C. I. E., I.C.S., Secretary to the Government of India, Department of Commerce, on 22nd October 1923 to discuss with him the question of Insurance Legislation in India. Mr. Meickle, the Government Actuary, was also present.

80. Interview with the Honourable Mr. A. C. Chatterjee, C.I.E. I.C.S, Member for the Department of Industries and Labour, Government of India:—

The Committee of the Chamber had an interview with the Honourable Mr. A. C. Chatterjee on 30th November 1923 to discuss with him some important questions relating to his Department.

(Vide also item 41.)

(J) GENERAL.

81. Bombay Development Department.:—

The Committee drew the attention of the Hon'ble Sir Chimanlal Setalvad, Member, Executive Council, Government of Bombay, to the correspondence which had passed between Mr. Lalji Naranji, Chamber's representative on the Advisory Committee attached to the Development Department, and Sir Lawless Hepper, Director of the Department. Mr. Lalji requested the Secretary of the Development Department to give him information on several points to which Sir Lawless Hepper replied that those questions could not be said to be relating to the general development of Bombay and so he was unable to include them in the agenda. The Committee reminded the Hon'ble Member of the assurance given by His Excellency the Governor at an interview of the Committee with him that the Committee would find Sir Lawless Hepper grateful for their advice and assistance and would be willing to give all fair-minded and reasonable bodies having public confidence like this Chamber the fullest information possible and to withhold nothing of the main issue of the question. The Committee expressed their surprise at the curt reply of the Director disposing of important questions raised by the Chamber's representative by a brief reference to the Government order dated 29th June 1921. Such a reply was calculated to shake their confidence in the working of public departments disbursing public moneys. Committee felt that no usful purpose would possibly be served by any representative of the Chambor serving on such an Advisory Committee if information of this character was withheld from him. This letter was despatched on 6th February 1923 and as no reply was forthcoming despite several reminders up to 9th May 1923,

a D. O. letter was written by the President of the Chamber to the Hon'ble Sir Chimanlal requesting him to expedite his reply. The Hon'ble Sir Chimanlal wrote back expressing his regret for not sending an earlier reply to the Committee's letter and stating that he was inquiring into the matter and hoped to send a reply soon. The President again vrote back to the Hon'ble Sir Chimanlal another D. O. letter dated the 30th May 1923 No. T. 541 expressing surprise that no reply should be forthcoming even after 4 months to the original representation sent by the Committee. This reprcsentation concerned questions with regard to the Development Department which the Committee considered important as they affected the status of the Advisory Committee to the Development Department and the representative of this Chamber sitting on the Committee. It was again emphasised that it was no use having a representative of the Chamber o n an Advisory Committee of this nature the method of working which was quite against the Committee's self-respect and that the Committee would be obliged to withdraw their representative from the Advisory Board if no satisfactory reply was received at an early date.

In reply a letter was received from the Development Department, No. S. A—959, dated 21st June 1923, stating that the Governor-in-Council was fully alive to the advantages of having a representative of the Indian Merchants' Chamber upon the Advisory Committee of the Development Directorate and had no intention of modifying in any way the pledge given to the Chamber in August 1921 viz., "to withdraw from it nothing of the main issues of the question." It was pointed out that it had been definitely decided that the functions of the Advisory Committee were "to put forward questions relating to general development of Bombay and suburban areas." In the opinion of the Government these orders must clearly be interpreted as referring to and including all such matters as lay-out, position and extent of schemes, financial prospects, routes for new roads, designs for chawls and generally all questions regarding what steps should be taken to attain the object for which the Development Department was constituted and regarding the time, order and the manner in

which it was economically advisable to carry out those steps. It was added that the Chamber would agree in this interpretation of the functions of the Advisory Committee and that it was neither possible nor advisable to extend their scope so as to cover matters relating to internal working of the Directorate and its purely executive administration. It was further pointed out that the questions asked by the Chamber's representative related to (1) the purchase of stores in regard to which that Department in common with other Departments of Government was bound to comply with the Stores Purchase Rules for the time being in force, and (2) details of contracts and the appointment of Engineers, their behaviour, their housing and other matters of departmental administration. The letter finally stated that in view of what had been said the Governor-in-Council felt sure that the Indian Merchants' Chamber would agree that the machinery of the Advisory Committee should not be used for the purpose of eliciting such information and that so to use it was a misdirection of the really valuable functions which it was intended to fulfil and had fulfilled in the past. The Committee in their reply No. T. 721, dated the 10th July 1923 pointed out that their letter No. T. 120-83, dated the 5th February 1923 still remained unreplied in its main issues in so far as none of the questions of their representative had still been officially answered. It was also pointed out that the constitution of the Advisory Committee as described in the Government letter was within the knowledge of the Committee and after carefully considering the Government letter the Committee still thought that the questions about which they complained in their letter dated 5th February 1923 were legitimate and within the defined functions of the Advisory Committee. The Committee were convinced that the action of their representative in asking the questions which he put was not only justified but was an act of public duty which merited at the hands of the Department and at the hands of the Government better response than what had come forward. The Committee respectfully differed from His Excellency the Governor-in-Council at the classification of the questions and had no option but to reiterate their respectful but

emphatic protest against the refusal by Government to reply to any of the questions referred to in their letter of the 5th February last. As regards the future the Committee read the concluding portion of the letter with great regret. If the machinery of that Advisory Committee was not to be used for eliciting information without which it was not possible for a businessman to take a whole and connected view of the situation, the Committee strongly felt that the Advisory Committee became valueless. The Committee keenly felt that no useful purpose could be served by their representative serving on such an Advisory Committee and thought that it may become difficult for him to attend meetings of that body until at least such of the questions as fell in the opinion of the Governor-in-Council within the scope of the Advisory Committee had been adequately answered and until the functions of the Advisory Committee were restored to what they were originally understood by the public and the Committee. The Committee regretted that the Government should have thought it fit to criticise the action of their representative in the performance of his duty. It was apprehended that after the disregard by the Government of the value of public opinion expressed by the Chamber in the handling of public affairs of such magnitude it would not be surprising if public confidence in the working of the Development Department as to its efficiency and economy were to decline. Finally the Committee expressed their regret that they should be forced to take a somewhat different view of the situation and should remain still dissatisfied and requested a re-examination of the case by His Excellency the Governor who they hoped would with his long experience of business agree with them in the end.

In reply a letter was received from the Development Department, Bombay, No. 3-S. A., dated 4th September 1923, stating that whilst Government must adhere to the ruling that the machinery of the Advisory Committee should not be used for the purpose of eliciting information such as that desired by the Chamber's representative, they had no desire apart from the functions of the Advisory Committee to withhold any information which they were in a position

to give and since it was stated that none of the questions of the Chamber's representative had officially been answered reference was made to the replies given in the Council to questions asked by Rao Sahib Harilal D. Desai and Mr. Trivedi as printed at pages 643 and 661 respectively, of Volume 8, Part 3 of Bombay Legislative Council Debates, which dealt with 4 of the questions put forward by the Chamber's representative and a statement with replies to the remaining questions Nos. 2, 3, 4, 5, and 7 was attached to the letter.

82. Sukkur Barrage Scheme :—

A member drew the attention of the Committee to the proposed Sukkur Barrage project observing that there was a sharp difference of opinion in the United Kingdom as to whether the Barrage and Canals should be built simultaneously or whether the canals should be built first and the Barrage afterwards. The raising of huge loans like the Development and the Sukkur Barrage amounting to 30 crores of rupees each would leave very little for financing other schemes of nation-building character like Technical education. The opinion of the Committee was invited. The Committee resolved to request the Government of Bombay, Public Works Department, to supply details regarding the Sukkur Barrage Scheme and also to let them know if the people of this presidency as a whole would have to pay additional taxation as a result of the loan on account of the Sukkur Barrage Scheme. The Government forwarded for the information of the Committee a copy of the pamphlet "The future of Sind" and stated that it was not proposed to raise any loan on account of the Sukkur Barrage and Canal Projects this year and that the whole financial arrangements relating to the scheme were to be discussed at a special session of the Legislative Council on the 8th June 1923.

A letter was addressed to the Government of Bombay, Public Works Department, with reference to the resolution which was to be moved in the Bombay Legislative Council by the Hon. Sir Chimanlal

Setalvad regarding the Sukkur Barrage project. This scheme had two aspects, ; technical and financial. The Committee wished to leave the technical side to Government experts and confined themselves to the financial side. The scheme was estimated to cost over Rs. 18 crores for erecting a Barrage at Sukkur and for cutting canals in Sind. The Committee regretted that a scheme of such magnitude should be rushed through in the Council without giving representative commercial bodies an opportunity to express their views on the financial and other matters relating thereto, and thought that it was not even then too late to consult them. Committee also suggested: (1) that public tenders should be invited in all cases for the purchase of stores and contractual work ; Indians should be given preference in the matter, (2) it was likely that irrigated lands would be given to cultivators and syndicates for purposes of agriculture ; the Committee were emphatically of opinion that in such cases preference should be given to Indian cultivators and syndicates in order that Indians might get the full advantage of the project. In reply the Government informed the Committee that their suggestions would receive the best consideration of Government.

83. India and the Imperial Institute :—

The Secretary, Association of British Chambers of Commerce, London, forwarded for the information of the Committee of the Chamber a copy of the resolution adopted at the quarterly meeting of the Association on 19th July 1922 regarding the decision of the Government of India to discontinue its annual grant of £1,400 to the Imperial Institute. The letter also expressed a hope that the terms of the resolution would receive the favourable consideration of the Committee and that they would be good enough to take such steps as they considered desirable to urge on the Government of India to reconsider their decision to discontinue the annual grant. The Committee of the Chamber in reply regretted that looking to the present financial circumstances of the Government of India as also the views expressed on former occasions by Sir Thomas Holland and the late Sir

William Meyer they did not like to interfere with the decision which had been already arrived at by the Government of India.

84. Re-allocation of Port-folios in the Executive Government of the Government of India :—

With reference to a press communique regarding the above the Committee lodged their respectful but most emphatic protest against the same by which most important subjects vitally affecting trade, commerce, and industries of the country were concentrated in one hand. The Committee regretted that despite the depreciation by the Acworth Committee of grouping on these lines and despite the unanimous opinion of the Inchcape Committee His Excellency the Viceroy had thought fit to continue the objectionable grouping of Railways and Commerce in one hand. Comparatively unimportant subjects had been assigned to the two Indian Members which was mostly to be regretted. Committee ventured to suggest that His Excellency might see his way to revise the allocation announced by him so that Railways and Commerce including Tariffs were in hands of two different members.

85. Proposed Indian Sailors' Home :—

With reference to a letter from the Government of Bombay, Marine Department, No. 33 M. dated 3rd February 1923 the Committee wrote to say that they approved of the scheme for an Indian Sailors' Home and that Mr. Davidas Madhowji Thakersey, Vice-President of the Chamber, would act as their representative on the Committee which the Government had appointed in the matter.

86. Disturbances at Company Meetings :—

The Committee passed the following resolution with regard to the disturbances at Company Meetings :—.

"The Committee of the Indian Merchants' Chamber express their strong disapproval of the growing tendency on the part of some shareholders to create disturbances at Annual General

Meetings of Joint Stock Companies in Bombay and they strongly condemn this attitude on the part of such shareholders at such meetings as being inimical to permanent interests and progress of Joint Stock enterprises in India."

87. **Proposed visit of a French Squadron :—**

A letter was received from the Collector of Customs, Bombay, informing the Chamber that a French Squadron consisting of two men-of-war, on board of which was also a Civil Mission composed of several representatives of several French Departments was on a cruise around the Indian Ocean and was expected to visit Bombay and enquired if the Chamber desired to arrange to show hospitality to the Officers and men of the Squadron. In reply he was informed that the President of the Chamber would like to entertain the Admiral and the Staff of the Squadron together with the members of the Civil Mission to a Garden party. The committee also showed their willingness to arrange for tours of the Civil Mission to the Piecegoods market, the Grain market, and the Cotton market and also invited a member of the Civil Mission at their meeting for delivering a lecture. The Committee were, however, informed later on that the proposed visit was cancelled.

88. **Public holiday to enable Banks in Bombay to make up their half-yearly accounts :—**

A letter was received from the Government of Bombay, Finance Department, No. 1345-A, dated the 18th June 1923, stating that representations had been made to Government that Monday, the 2nd July, 1923 should be notified as a public holiday in order to enable the banks in Bombay to make up their half-yearly accounts, and enquired whether the Chamber wished to express any opinion on this matter. In reply the Committee informed the Government that they approved of the suggestion.

89. **Law's delays :—**

A letter was received from the Hon. Secretary, Bombay Incorporated Law Society, enclosing copy of a memorial submitted by the

Society to the Honourable the Chief Justice and other Judges of the High Court on 15th February 1922 regarding the delay in the offices of the Prothonotary. In the letter it was pointed out that the matter dealt with in the Societys' representation was of vital importance to the commercial public of Bombay and that it was very desirable that commercial bodies should also address Government on the subject. A letter was accordingly addressed to the Government of Bombay, Legislative Department, Bombay, No. T. 697, dated the 6th July 1923 stating that the inordinate delays in the matter of commercial litigation in the High Court of Bombay were according to their information primarily due to the paucity of staff in the office of the Prothonotary. It was pointed out that litigation had increased very much recently and a large number of cases were commercial. Any delays in litigation therefore adversely affected the interests of the commercial community. Reference was also made to the views expressed by the Honourable Sir Purshotamdas Thakurdas on the subject at the third Quarterly General Meeting of the Chamber on the 28th October 1922. The Committee finally requested Government to take steps at once to remedy the grievances of the commercial public with regard to the inordinate delays in litigation. In reply a letter was received from the Government of Bombay, Home Department, No. 1764-C dated 13th July 1923, stating that the High Court Bench had recently been strengthened by the creation of an additional Judge and in addition a Bill to extend the jurisdiction of the Small Causes Court, Bombay, had been drafted which was expected to relieve considerably the pressure of work in the High Court.

90. Crop Forecasts :—

A letter was received from the Director General of Commercial Intelligence, Calcutta, No. 8625, dated 11th July 1923, informing the Committee that budget allotment of the Government of India Statistics had been cut down in accordance with the recommendations of the Inchcape Committee from Rs. 1,64,000 to Rs. 93,000 and in order to meet this cut drastic retrenchment in every direction had been necessary. Certain number of business firms had, however,

stated that the publication of the Crop Forecasts as separate leaflets was more convenient to them than the publication in the Indian Trade Journal and the Government of India were quite willing to meet this demand provided that the cost of the Forecasts including printing and postage was entirely covered by subscriptions of which payment for the next three years was guaranteed by the Chamber or other recognised Trade Associations. In reply he was informed that it was not possible for the Chamber to agree to the proposal.

91. Employers' Delegate at the International Labour Conference :—

A letter was addressed to the Government of India, Department of Industries and Labour, conveying the Committee's opinion that in future only an Indian employer should be nominated as a representative of Employers to the International Labour Conferences. It was pointed out that every member-country of the International Labour Conference was known to send its own nationals as representatives and there was no reason why this country should be made an exception. In reply the Committee were informed that their suggestion would be taken into consideration at the time of making nominations to future Conferences.

92. Passengers' Day in Bombay :—

A letter was received from the Hon. Secretary of the Passengers' and Traffic Relief Association, Bombay saying that his Committee had resolved to observe a passenger day on 20th November by holding a public meeting in memory of Moplah Prisoners train tragedy and enquiring if the Chamber would co-operate in organising the public meeting. In reply the Committee regretted that they could not join in the movement.

93. Proposal to discontinue Empire day as a holiday :—

A letter was received from the Government of Bombay, Finance Department, enclosing copy of a letter from the Government of India and copy of a letter from the Government of the Punjab to the Government of India on the above subject. The Government of the Punjab in

their letter proposed to omit Empire day from the list of holidays if the Government of India saw no objection. The Government of India invited the views of the Bombay Government on this proposal. In reply the Committee informed the Government of Bombay that they agreed with the opinion expressed by the Government of the Punjab that Empire day could suitably be omitted from the list of holidays.

94. Protest against Sir Reginald Craddock's joining the Board of Directors of the Central Provinces Prospecting and Mining Syndicate :—

At the instance of one of the members of the Chamber a letter was addressed to the Government of India, Home Department, drawing their attention to the fact that Sir Reginald Craddock, K. C. S. I, late Lieut. Governor of Burma and formerly Chief Commissioner of the Central Provinces had joined the Board of Directors of the Central Provinces Prospecting and Mining Syndicate, an organisation which controlled some of the best manganese deposits in the Province. The Committee approached the Government of India purely on the question of principle involved in this issue as to whether it was deemed by the Government of India to be right and fair that an officer occupying one of the highest positions under the Crown should be allowed to join commercial or industrial syndicates in the very province in which he was the Administrator and was naturally concerned in giving concessions etc; and the Committee enquired if the Government of India had got any policy with regard to such incidents and if so what that policy was.

In reply a letter was received from the Government of India, Home Department, No. F-411-23-Pub, dated 14th September 1923 stating that the Government of India in their resolution No. 1140 dated 21st April 1920 while deciding that it was not necessary to lay down a definite rule stated that it was desirable that retired Government servants before accepting directorship, partnership or agencies or employment by any Company or firm or individual en-

gaged in commercial business or associated with the management of the land in India should obtain either the consent of the Government of India, or if the company was managed in London the consent of the Secretary of State. As the Central Provinces Prospecting Syndicate was managed in England Sir Reginald Craddock applied for, and received the permission of the Secretary of State for India to accept its directorship rendered vacant by the death of Sir Harold Stuart. It was also added that in granting or withholding permission Government must form its decision on the circumstances of each case. The Committee were reminded that Sir Reginald Craddock severed connection with the Central Provinces in 1911. This letter was recorded.

95. Appointment of Messers. W. W. Howard Brothers of London as Agents for the sale of Imperial Forestry Timber:—

The attention of the Committee having been drawn to the above appointment, a letter was addressed to the Government of India, Department of Education, Health and Lands, No. T. 1098, dated the 16th October 1923 requesting them to supply the Committee with full information as to the terms of this appointment. The Committee further enquired as to whether there were any special reasons which had led the Government of India to make this appointment as also whether there were any particular advantages of this appointment.

96. Enhancement of fees for enquiring into complaints re: Deliveries or payment of value payable articles.

With reference to a suggestion made by the Post Master General, Bombay Circle, in his letter of the 26th January 1923, No. J. V. 90, the Committee approved the proposal to raise the fee from one anna to 4 annas for enquiring into complaints regarding the delivery or payment of value-payable articles.

97. Late delivery of foreign mails in Bombay :—

The attention of the Committee having been drawn to the late delivery of foreign mails in Bombay, a letter was addressed to the Postmaster General, Bombay enquiring after how many hours foreign mails were delivered in Bombay after the mail-boat was signalled. In reply the Postmaster-General informed the Committee in his letter No. M. S. 11 dated the 24th September 1923 that the delivery of inward foreign mails was made about 6½ hours after the mail steamer was signalled. The mails were landed at Ballard Pier about 2 hours after the steamer was signalled. In other words the mails were issued for delivery 4½ hours after they were received.

98. Proposal to sell non-judicial stamps through Post Offices :—

The Superintendent of Stamps, Bombay, invited the opinion of the Chamber on the above proposal. It was stated that at present in addition to the sale of all kinds of stamps at the General Stamp Office the licensed stamp vendors in this city sold non-judicial stamp papers and adhesive labels. At it was probable that the sale of non-judicial stamps if carried on through Post Offices would be more convenient to the public than the sale through licensed stamp vendors and would be more economical to the Public Funds he enquired as to whether the new arrangement would be more or equally convenient to the commercial community and the public. In reply the Committee expressed the opinion that the present system of selling non-judicial stamps through licensed stamp vendors afforded facilities to the commercial community and the public as they could obtain such stamps even out of business hours and even sometimes on holidays. But if the sale of such stamps through Post Offices was likely to be more economical the Committee suggested that such sale through Post Offices might be introduced side by side with the present arrangement of sale through licensed vendors.

99. Organising Committee for the British Empire Exhibition :—

In response to a letter from the Government of Bombay, Reve-

nue Department, dated the 12th February 1923 No. C.-443 D. Mr. J. K. Mehta, Secretary of the Chamber was appointed as a representative of the Organising Committee for the British Empire Exhibition.

The Committee having resolved as a protest against the unjust Kenya decision of the British Cabinet not to participate in the forthcoming British Empire Exhibition, withdrew their representative Mr. J. K Mehta, Secretary, from the above Committee.

100. Chamber's representation on the Indian Central Cotton Committee:—

With reference to a letter from the Government of India, Department of Revenue and Agriculture, dated 3rd April 1923 No. 314, the Committee informed them that they had nominated Sir Purshottamdas Thakurdas, Kt., C. I. E., M. B. E, J. P., as the Chamber's representative on the Indian Central Cotton Committee.

101. Nomination of Chamber's representative on the Board of Directors of the Bombay Telephone Co., Ltd :—

A letter was received from the Bombay Telephone Company, Limited, dated 6th November 1923 informing the Committee that in accordance with the provision of clause 4 of the agreement between the Company and the Government of India dated 30th March 1922 the Directors had duly nominated the Honourable Mr. Phiroze C. Sethna, O. B. E., as the Chamber's representative on the Board of Directors.

102. "At Home" to Sir Purshotamdas Thakurdas, C.I.E., M.B.E., on the conferment of Knighthood on him :—

The Chairman and the Committee of the Indian Merchants' Chamber were "At Home" to members of the Chamber to offer their felicitations to the Hon. Sir Purshotamdas Thakurdas C.I.E., M.B.E., on Wednesday the 4th July 1923 on the conferment of Knighthood upon him by His Majesty the King Emperor.

103. Representation of the Chamber in Paris :—

So long back as April 1922 the Secretary, Association Sociale et Commerciale Hindoue, Paris had written to the Chamber to recognise that Association as its representative in Paris. The Committee wrote back on 24th April 1923 that they were now glad to take advantage of the kind offer made by that Association.

104. Arbitration rules :—

The Committee finally approved and confirmed the resolution passed in 1921 and have also formed a panel of Arbitrators for the purpose of carrying arbitration under the auspices of the Chamber.

105. Commercial Examinations under the auspices of the Chamber :—

The Commercial Examinations Sub—Committee submitted their report which was accepted by the Committee. The Sub—Committee were of opinion that (1) looking to the ever-increasing number of Indian students appearing every year at commercial examinations held by the London Chamber of Commerce, it was very desirable that similar examinations should be held under the auspices of the Indian Merchants' Chamber, and (2) as a large number of merchants in Bombay and some other commercial centres were carrying on their correspondence and keeping their accounts in Gujerati such examinations might be held both in Gujerati and English. A Sub-Committee has been appointed to take necessary steps for the practical working of the scheme.

106. Government and the Chamber :—

Your Committee are glad to inform you that the Government of India and the Local Government have been pleased to keep them in touch with all the important communications issued by them on all matters affecting trade, commerce, industries, finance, etc. The Chamber has also been receiving free of charge all the Government publications. Your Committee beg to thank the Government for their courtesy.

107. The Journal :—

To effect economies in the expenditure of the Chamber the Monthly Gujerati Journal of the Chamber was converted into an Anglo-Gujerati Quarterly Journal from July 1923.

108. Membership of the Chamber :—

There were at the end of the last year 485 members. During this year 48 have joined and 35 members resigned leaving at the end 498 members.

109. Balance Sheet :—

The Balance Sheet of the Chamber audited by the Chamber's Auditor Mr. Davidas Vithaldas is appended herewith.

THE INDIAN MERCHANTS' CHAMBER.

Income and Expenditure Account from 1st January 1923, to 31st December 1923.

EXPENDITURE.	Amount.	Amount.
	Rs. a. p.	Rs. a. p.
To Office Establishment, Rent, Insurance, etc.		23,155 14 7
„ Postages and Telegrams		846 2 0
„ Miscellaneous Expenses		220 11 0
„ Subscriptions to News papers & Journals		1,045 3 2
„ Stationery		772 15 6
„ Printing Chamber's Reports and Representations...		5,347 0 0
„ Printing Chamber's Journal		3,244 8 0
„ Commission on Advertisements.		115 9 8
„ Carriage Hire...		301 5 0
„ Furniture		68 0 0

„ Chairs Hire			71	0 0
„ Advertisements (in Local Papers, etc.)			584	7 0
„ Auditor's Fees, ...			100	0 0
„ Public Meeting			60	9 0
„ Donation			100	0 0
			36,033	4 11
Cash and Investments.				
Port Trust Bonds at cost	2,025	0 0		
6½ Percent Loan	5,000	0 0		
Capital Fund (The Central Bank of India)	1,300	0 0		
Cash with the Central Bank of India Ld.	2,096	8 2		
„ „ the Bank of India, Ld.	608	14 11		
Cash on hand.	14	10 6		
			11,045	1 7
Total Rs. ...			47,078	6 6

I have examined the above account of Income and Expenditure with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS,
Auditor.

INCOME.	Amount.			Amount.		
	Rs.	a.	p.	Rs.	a.	p.
By Balance Brought Forward				7,694	2	8
Capital Fund A/c.						
„ 12 New Members @ Rs. 100	1,200	0	0			
„ Payment Received in Advance of one Member with New Application @ Rs. 100	100	0	0	1,300	0	0
„ *Admission Fees.*						
36 New Members @ Rs. 50	1,800	0	0			
Less Two Members' admission fees received in the last year @ Rs. 50 ...	100	0	0	1,700	0	0
Membership Subscription.						
180 Town Members @ Rs. 60	10,800	0	0			
274 „ Members @ Rs. 75	20,550	0	0			
21 Limited Cos' @ Rs. 100	2,100	0	0			

13 Mofussil Members @ Rs. 25	325 0 0		
13 Associations @ Rs. 125	1,625 0 0		
Outstanding Subscriptions realized	1,395 0 0		
Less Subscriptions outstanding Rs. 2845	36,795 0 0		
„ Last year's Bad Debts of 8 town Members @ Rs. 60/-1 mofussil member @ Rs. 25. Rs. 505			
„ 2 members' Subscriptions received in the last year @ Rs. 60/- Rs. 120	3,470 0 0		
„ Payment received in advance of 1 member with new application form @ Rs. 75.		33,325	0 0
		75	0 0
„ Subscription to the Journal		514	13 0
„ Advertisements...		1,088	10 0
„ Interest on Investments and Current A/c.		378	7 4
„ Deposit on Election		250	0 0
„ Sir P. T. Entertainment Fund		175	13 6
„ Sale of Reference Books		70	0 0
„ Sale Proceeds of old magazines and News papers		43	0 0
„ „ „ „ members, lists		228	0 0
„ „ „ „ Annual Report 1920-21 and 1922		9	0 0
„ *Unpaid Bills* For Printing Chamber's Reports and Representations		226	8 0
Total	... Rs.	47,078	6 6

J. K. MEHTA,
Secretary,

DEVIDAS MADHOWJI THAKERSEY,
Chairman,

(A) RAILWAYS AND SHIPPING.

(A) RAILWAYS.

APPENDIX 1.

CONCESSIONS TO COMMERCIAL TRAVELLERS.

No. 17 T 23, dated Delhi, 24th January 1923.

From Government of India, Railway Department (Railway Board) to Chamber.

Concessions to Commercial Travellers.

I am directed to acknowledge the receipt of your letter No. T. 136/14 ,dated the 3rd January 1923* on the above subject and to state that the Railway Board do not ordinarily deal with concessions of this sort which are left to the discretion of Agents of individual Railways to grant.

2. I am however to suggest your referring the matter to the Secretary, Indian Railway Conference Association, 7 Queen's Road, Allahabad.

No. T. 132 of 19th February 1923.

From Chamber to the Indian Railway Conference Association, Allahabad.

I enclose herewith for your information and necessary action copies of correspondence passed between my Committee and the Government of India, Railway Board, Delhi, regarding concessions to commercial travellers. My Committee will feel obliged if you will kindly let them know if action on the lines suggested by them in their letter to the Railway Board, is possible.

* Vide Chamber's Annual Report for 1922, Page 458.

No. 3375/, of 15th March 1923.

From the Indian Railway Conference Association, Allahabad to Chamber.

Concession to Commercial Travellers.

Your No. T. 132 dated 19th February 1923.

With reference to your above, I am directed to state that the granting of concessions in Railway fares is a question which is left to the discretion of individual railways to decide, and it cannot, under the rules of the Indian Railway Conference Association, be considered, except when the question is entered on the Agenda at the request of a Railway party to the Association.

The Indian Railway Conference Association has no powers to induce any individual Railway to grant concessions and unless the support of a Railway which is a party to the Association can be obtained to the concession in question, it would be useless to refer it to the Conference.

APPENDIX 2.

LOCAL RAILWAY ADVISORY COMMITTEE.

No. T.-32, Bombay, dated 18th July 1923.

From the Agent, B. B. C. I. Railway to Chamber.

Establishment of Local Railway Advisory Committees.

You are perhaps aware that the Government of India have had under consideration the question of the establishment of Local Advisory Committees for Railways, and I enclose a copy of the Memorandum, which has been issued by them, for favour of your perusal.

I am now proceeding with the constitution of a Committee to meet in Bombay, and shall be glad if you will kindly nominate one member of your Chamber who is willing to represent your Body on the proposed Committee.

Memorandum Regarding Local Railway Advisory Committees.

I. *Title.*—The new bodies to be known on each line as

"Railway Advisory Committee."

II. *Constitution.*—A separate main Committee constituted for each Administration, the number of members being decided by circumstances, subject to a maximum of twelve. The Agent to be *ex-officio* Chairman. The remaining members to consist of:—

Two local Government members nominated by the Local Government in whose jurisdiction the headquarters of the Railway in question is situated;

Three representatives of the Legislative Council of the Government in whose jurisdiction the headquarters of the Railway in question is situated. These members should be elected to represent rural interests and the travelling public;

One member from the local Municipality or corporation at the Railway headquarters;

five members representing Industries, Commerce and Trade.

The Heads of Departments of Railway may be called in merely to advise on subjects under discussion, which may affect their department and on which their technical expert advice would be useful to the Committee.

The method of selection of the non-official members to be left largely to local discretion. The representatives of the Legislative Council need not necessarily be members of the Council. Members of the Central Advisory Council are not debarred from membership of Local Advisory Committees. The five members representing Industries, Commerce and Trade would ordinarily be drawn from important local bodies representing predominant trade interests; the actual selection of such bodies should be made in consultation with the

Local Government, and once the selection is made it should be left to them to nominate or elect their representatives. The tenure of office of the members to be left to the electing or nominating bodies to decide.

Agents will consider whether it is desirable to form separate Branch Local Committees at large centres, and in case of doubt, they may consult their main Committee in this matter.

III. *Scope of duties.*—The functions of the Committee to be purely advisory. The sort of subjects which might suitably be placed before the committees are :—

(*a*) Alterations in time-tables and passenger services ;

(*b*) Alterations of rates and fares and changes of goods classifications ;

(*c*) Proposals in regard to new projects and extensions ;

(*d*) Proposals in regard to new rolling stock ;

(*e*) Any matters affecting the general public interest or convenience.

Questions of personnel, discipline and appointments will not be brought before the Committee ; subject to this condition, any member may suggest a subject for discussion, but the Agent may rule out any subject for reasons which should be explained at the first meeting after the ruling has been given.

IV. *Remuneration.*—Non-railway members may be paid Rs. 32 for each meeting attended.

V. *Proceedings.*—The Committee to meet once a month if there are matters to be discussed. A copy of the Minutes of Meetings to be furnished to each member and to the Railway Board. If in any case the Agent decides that he is unable to follow the advice given by the majority of the Committee, he must bring the matter to the notice of the Railway Board in forwarding the Minutes of the Meeting for their perusal.

T.-845. of 7th August 1923.

From Chamber to the Agent, B. B. & C. I. Railway.

I am directed to acknowledge the receipt of your letter of the 3rd instant No. T-32.

With reference to your letter of the 18th July 1923, No. T-32, I am directed to inform you that the Honourable Sir Purshotamdas Thakurdas, C.I.E., M.B.E., will represent this Chamber on your Advisory Committee.

No. 220 Ry. of 4th September 1923.

From the Government of Bombay, Public Works Department to Chamber.

I am directed by the Governor in Council to refer to paragraphs 139-143, of the Railway Committee's Report, regarding the establishment of Local Advisory Committees for Railway Administrations and to state that the question of the establishment of Local Advisory Committees for the Great Indian Peninsula, Bombay Baroda and Central India and Madras and Southern Mahratta Railways has been under the consideration of this Government. It has been decided that separate Committees should be established for each Railway in this Presidency and that a Committee for the Bombay Baroda and Central India Railway should be established in Bombay and that the Chamber of Commerce, Bombay, and the Indian Merchants' Chamber, Bombay, should be represented on the Committee. I am accordingly to request that you will kindly select a representative of your Chamber and communicate to Government the name of the gentleman who will be selected to serve on the Committee.

T. 985. of 12th September 1923.

From Chamber to the Government of Bombay, Public Works Department.

I am directed to acknowledge receipt of your letter No. 220. Ry., dated the 4th instant, and to state that my Committee were

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approached by the Agent, the Bombay Baroda and Central India Railway on the subject and they have nominated the Honourable Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., as their representative on the Local Advisory Committee for the Bombay Baroda and Central India Railway.

APPENDIX 3.

UP AND DOWN BOMBAY-PESHAWAR (PUNJAB) MAIL AND GUJARAT MAIL.

T. 767 of 17th July 1923.

From Chamber to the General Traffic Manager, B. B. C. I. Railway.

The attention of my Committee has been drawn to the great inconvenience experienced by the Indian people reaching Bombay by the Punjab Mail as it does not halt at Grant Road. As the majority of Indian travellers arriving by that train are residing in Indian localities *i. e.* Grant Road, Girgaon, Bhuleshwar or Kalbadevi, they have to come back with their luggage from Colaba to their respective places of residence in the above-mentioned localities, being thus put to great inconvenience and also to unnecessary extra expenditure. Under the circumstances, my Committee will feel obliged if you will be good enough to take early steps to stop the Punjab Mail at Grant Road.

No. T. B. 250 of 21st July 1923.

From the General Traffic Manager, B. B. C. I. Railway to Chamber.

Request to stop Bombay Peshawar Mail at Grant Road.
Your No. T. 767 of 17th July 1923.

I regret that I cannot stop the Punjab Mails at Grant Road.

T. 849 of 8th August 1923.

From Chamber to the General Traffic Manager, B. B. & C. I. Railway.

I am directed to acknowledge the receipt of your letter of the 21st July 1923, No. T. B. 250. My Committee are sorry that you have chosen to write in reply to their very urgent demand a short letter saying only that you cannot stop the Punjab Mails at Grant Road. No reasons are vouchsafed by you in support of this statement which appears to be the final decision on your part. My Committee have been receiving numerous complaints from Indian merchants on the score of the inconvenience which is entailed upon them through the present arrangement under which the Punjab Mail does not halt at any intermediate station but halts only at its final destination viz. Colaba. It occasions not only inconvenience and trouble to a large portion of railway passengers to go back from Colaba to the City but also occasions loss of time. My Committee, therefore, again approach you with a request that the Punjab Mail train should be stopped at Grant Road Station in the interests of the convenience of the commercial community.

No. T. B. 930-2 *Up* of 7th November, 1923

From General Traffic Manager, B. B. & C. I. Railway to Chamber.

With reference to correspondence ending with my letter No. T. B. 930–2 Up-1 of 21st July 1922, I have to inform you that with effect from 5th instant arrangements have been made to stop the Down Gujarat Mail Train at Grant Road.

I also propose to time the Up Gujarat Mail into Bombay at about 8-30 from 1st March 1924 from which date the Up and Down Bombay Peshawar Mail Trains will be booked to stop at Grant Road.

APPENDIX 4.

DELAYS IN TRANSIT OF GOODS BY RAILWAYS TO UP-COUNTRY STATIONS.

No. T. 1102 of 17th October 1923.

From Chamber to the General Traffic Managers, B. B. & C. I. and G. I. P. Railways.

The attention of the Committee of this Chamber is drawn to the inordinate delays that are taking place at present in the carriage of goods from Bombay to up-country stations like Cawnpore and Delhi. It is a matter for surprise that while the ordinary period was in normal times six to seven days and in war times about a fortnight the period now occupied is more than a fortnight. Such a delay in carrying goods from Bombay to up-country stations is extremely injurious to the interests of trade and commerce and my Committee will be much obliged if you will kindly state the reasons for such inordinate delays and be kind enough to arrange for shortening the period for transportation.

No. M. 49 Imp. of 17/19th November 1923.

From the General Traffic Manager, B. B. & C. I. Railway to Chamber.

Delay in transit of consignments for Delhi and Cawnpore.

Reference: Your No. T. 1102 of 17-10-1923.

Traffic for Cawnpore is allotted to the G. I. P. Railway and I have forwarded a copy of your letter quoted above to the Chief Traffic Manager, G. I. P. Railway, Bombay for disposal and direct reply.

As for delay to the goods for Delhi the matter is under enquiry, though it does not require much enquiry to enable me to make an emphatic denial of your sweeping assertion that it takes *more* than a fortnight for goods to reach Delhi.

There may be some cases where such a period is occupied over this Journey, and if you will quote specific instances I will enquire into them.

No. M. 49/Imp of 1st December 1923.

From the General Traffic Manager, B B & C. I. Railway to Chamber

Delay to Wagons booked from Carnac Bridge to up-country.

Your No. T 1102 of 17-10-23.

I have checked the journeys of 20 wagons selected at random from Carnac Bridge to Delhi and do not find that any of them suffered the inordinate delays of which you complain.

These 20 wagons arrived at Delhi as follows :—

Within	5	days	...	3	wagons
„	6	„	...	7	„
„	7	„	...	4	„
„	10	„	...	4	„
„	12	„	...	2	„

No. T. 1384 of 12th December 1923.

From Chamber to the General Traffic Manager, B. B. & C. I. Railway

With reference to your letter No. M. 49/ Imp. dated the 1st instant, I am directed by my Committee to enclose herewith a statement, supplied by one of the members of the Committee of this Chamber, showing the time taken by goods consigned from Bombay to reach Delhi over your Railway. It will be seen from the statement that the time taken varies from 9 to 26 days. In two cases the time occupied was as long as 26 and 23 days; in other two instances it was 19 and 1 8 days respectively, while the time varying from 13 to 15 days is by no means infrequent. My Committee feel that such delays are inordinate and they trust that you will kindly go thoroughly into the matter and take early steps for shortening the period of ansit.

Statement showing the time taken by goods consigned from Bombay to reach Delhi over the B. B. & C. I. Railway.

No. of Bales. Piecegoods.	R/R No.	Date of Consignment.	Date of Delivery.	Time taken. Days.
44	B/72590/35 B/72907/9	11-9-23	24-9-23	13
2	B/8-72993	12-9-23	23-9-23	11
4	B/73020	13-9-23	24-9-23	11
2	B/67699	26-9-23	5-10-23	9
13	B/1-67639	26-9-23	9-10-23	13
	67792	27-9-23	9-10-23	12
2	B/1-67835	28-9-23	13-10-23	15
4	B/1-67918	28-9-23	13-10-23	15
29	B/1-68091	1-10-23	11-10-23	10
10	B/6-84778	3-10-23	16-10-23	13
10	B/1-85165	8-10-23	19-10-23	11
4	B/1-85305	9-10-23	21-10-23	12
7	B/1-85474	11-10-23	26-10-23	15
1	97002	13-10-23	23-10-23	10
9	B/1-97276	16-10-23	29-10-23	13
3	B/1-97343	16-10-23	29-10-23	13
14	B/1-11281	18-10-23	30-10-23	12
4	B/1-11380	20-10-23	1-11-23	11
2	B/1-11430	22-10-23	1-11-23	10
20	B/1-15529	24-10-23	5-11-23	12
8	B/1-11560	25-10-23	17-11-23	23
4	B/1-11663	26-10-23	22-11 23	26
10	B/1-11738	27-10-23	8-11-23	12
2	B/1-11802	29-10-23	17-11-23	19
2	B/1-12134	3-11-23	21-11-23	18
7	B/1-12177	3-11-23	15-11-23	12
3	B/1-12276	5-11-23	17-11-23	12
4	B/1-12506	10-11-23	20-11-23	10
2	B/1-12573	12-11-23	21-11-23	9
1	B/1-12644	13-11-23	27-11-23	14
1	B/1-42250	20-11-23	30-11-23	10
1	B/1-42307	21-11-23	4-12-23	13

APPENDIX 5.

SHORTAGE IN CONSIGNMENTS OF GHEE ON RAILWAYS.

No. T. 1341 of 6th December 1923.

From chamber to the General Traffic Managers, E. I. and G. I. P. Railways.

The attention of my Committee has been drawn to the considerable shortage usually occuring in tins of Ghee coming into Bombay by Rail from the mofussil. In this connection, I am directed to give below a few specific instances :—

Consignee's name.	Place of consignment.	Date of consignment.	Total No. of tins.	Shortage. (No. of tins.)
Mr. Vallabhji Hirji ...	Hathras.	27-12-22	56	6
Mooljee Soorjee Dharamsee Damji Amthalal Chunilal ...	do.	24-1-23	208 (in one wagon.)	30
Jayantilal Kesrichand.	Saugor.	17-4-23	99	23
Do.	do.	26-7-23	101	32
Do.	do.	1-9-23	105	8
Mooljee Soorjee, Ramanlal Haridas, Jayantilal Kesrichand.	do.	22-8-23	348 (In one wagon.)	73
Jayantilal Kesrichand.	do.	5-9-23	364	70

In the case of No. 2 above, the claims of Dharamsee Damji and Amthalal Chunilal were repudiated on the ground of robbery from the running train and are at present *sub-judice* while the claim of Mooljee Soorjee has been repudiated on the ground that the loss was due to circumstances beyond the control of the Railway Company.

My Committee are informed that whenever the shortage is appreciable and the marchants lodge their claims, the Railway companies put forward the plea that the tins were robbed from the running train or that the loss was due to circumstances beyond their control and repudiate the claims on the strength of risk-note "B" held by them. But as far as my Committee are aware, tins of ghee are brought into Bombay in covered wagons, which are properly sealed at the place of consignment and consequently robbery from the running train is extremely improbable, if not impossible. My Committee are therefore led to believe that such losses are more likely to be due to the negligence and malpractices on the part of the Railway Staff than to circumstances beyond the control of the Railway Companies.

My Committee are further informed that at times, tins full of oil or water or even empty tins which do not bear any numbers or marks are substituted for those full of Ghee and the merchants are compelled to take the delivery of the same as the Railway Companies do not pay any heed to such complaints.

Such losses are sure to prove detrimental to the Ghee trade of Bombay and my Committee beg therefore to request you to take early steps to put a stop to such an undesirable state of affairs.

No. CLGL. 179 of 18th December 1923.

From Chief Traffic Manager, G. I. P. Railway to Chamber.

I am in receipt of your letter No. T. 1341 dated 6th December 1923. I am sorry to say that recently we have had a few cases of

very heavy shortages in consignments of ghee and the matter is being specially investigated by the Superintendent, Government Railway Police, Poona. We are doing all we can to prevent thefts and you have my assurance that it is our endeavour to fulfil our obligations as carriers to the best of our ability.

As regards running train robberies liability for which is restricted in terms of risk note forms 'B' and 'H', I have to state each case is very carefully gone into and when we are satisfied that the loss is due to a running train robbery, we take our stand on the risk note. These robberies are not so frequent as in the past. They however still occur in spite of all the precautions we have taken in conjunction with the police to stamp them out. If there is evidence to show that the loss is due to theft by Railway servants, we would be liable.

As regards your committee's complaint that tins of oil or water or empty tins are substituted for tins of ghee, I have to say that we do pay claims in cases of exchange in transit which have been established against the Railway.

No. T. S. 14/23 of 17th December 1923.

From the Traffic Manager, E. I. Railway, Howrah, to Chamber.

I am in receipt of your favour No. 1341-T. dated the 6th instant, on the subject of shortages in consignments of ghee arriving into Bombay. The consignments detailed appear to have been booked over the B. B. &. C. I. and G. I. P. Railways, and I have no doubt these railways have been specifically addressed in the matter.

So far as the E. I. Railway is concerned, I have to advise you that we are doing all that is possible to put a stop to such distressing thefts in transit by rail, and the matter continues to receive attention.

(B) SHIPPING.

APPENDIX 6.

ESTABLISHMENT OF A NAUTICAL SCHOOL FOR LASCARS.

No. 163, Bombay, dated 22nd January 1923.

From the Shipping Master, Bombay to Chamber.

Subject:—Establishment of a nautical school for Lascars.

I have the honour to request that I may be furnished with the views of your Chamber on the subject mentioned above and whether the Shipping firms would undertake to provide the necessary funds.

No. 720, of 1922 dated 30/31st March 1922.

From Shipping Master, Bombay to the Secretary to Government, Marine Department, Bombay,

Subject—Establishment of a Nautical School for Lascars.

Complaints are frequently made in this Office by the Masters and Officers of ships of the inefficiency of the Indian seamen especially with regard to the rating of Seacunny Quarter Masters.

The complaint is a long standing one and from personal experience, I know that it is difficult to obtain the required numbers of seamen possessing a thorough knowledge of their profession. The fault is not as a rule the seaman's who is keen in learning and makes a good sailor when encouraged and given the opportunity to learn his work. Modern merchant ships are seldom more than ten days on their longest voyages in deep water; they are more often engaged on short voyages which take a few hours or days between ports, requiring very accurate navigation, careful steering and constant use of the hand and deep sea leads in taking soundings; only expert seamen can be employed with safety to the ship during the progress of such voyages and little or no time can be spared to train

novices in these duties; consequently the number of proficient seamen is small in comparison to the large number employed. The result is that seamen sometimes undertake duties for which they are not properly trained and qualified hoping to learn without tuition from practical experience to the annoyance of Masters and danger to ships. In view of the above and in order to give the Bombay seamen an opportunity of becoming efficient seamen, I have the honour to make the following proposals :

(*a*) An Indian seaman Instructor should be appointed.

(*b*) Instruction should be given in the following subjects:—

1. Knowledge of the compass and Steering.
2. Knowledge of the Hand and Deep sea Lead, and methods of using them.
3. Signalling (flags, commercial code, Semaphore, Morse and Lamp.)
4. Knotting and Splicing
5. Sailmaking.
6. Boating, how to pull an oar, rig and sail on a ship's boat.

The following equipment would be necessary and might be obtained on loan, or at small cost from the Government or other Dockyards :—

(*a*) 1 Compass and moveable platform on which a Helm or wheel should be fitted.

(*b*) 1 Deep sea lead.

(*c*) 1 hand lead.

(*d*) 1 set of small commercial code flags.

(*e*) 1 Morse lamp.

(*f*) 1 ship's life boat with equipment.

I would arrange to hold periodical examinations in these subjects, Candidates who pass could have an endorsement to this effect stamped on their Discharge certificates. A small grant would be required to meet the cost of Instructor's salary and upkeep of equipment.

GOVERNMENT SHIPPING OFFICE,

Bombay, 18th October 1922.

Subject :—Establishment of school for lascars.

Submitted.

Copy of my letter to Government No. 720, dated the 30th March 1922.

The estimated cost of the school is approximately Rs. 3,000 a year.

The scheme commends itself to his Excellency. The proposal has been put forward to the Government of India.

The Government, while agreeing with this Government, that it is desirable to establish a Nautical school, on the lines suggested, state that they are unable to approach the Standing Finance Committee even for the small amount which the scheme is estimated to cost, unless it is clearly shown that it will be entirely met (I) by fees, or (II) by subscriptions from the Shipping Companies for whose benefit the training will be effected.

I have now been requested to consider the feasibility of either of the alternatives suggested by the Government of India.

(Firstly) I consider it at least doubtful whether the fees to commence with and until the scheme is established and popularised would be sufficient to meet the cost.

(Secondly) Would the Shipping Companies undertake to guarantee sufficient money to meet the cost, which is very small, approximately Rs 3,000 a year, possibly less, the chief item being on account of salaries of the Instructors say Rs. 2,400 plus equipment, printing &c. Rs. 600. Messrs Mackinnon Mackenzie and Company have undertaken to provide some of the necessary equipment for the school.

Once the school is given a fair start, I have no doubt that it would soon become self-supporting by the candidates' fees It would

provide a long-felt necessity and would be a genuine effort to give the lascar training, to the ultimate benefit of the shipping companies who employ them, which training under modern conditions at sea he is unable to obtain. From inquiries I have made among the men I am led to believe that there are many lascars who desire to take advantage of it.

(Sd). J. E. P. CURRY.
Shipping Master, Bombay.

No. T.-315 of 7th April 1923.

From Chamber to the Shipping Master, Bombay.

With reference to your No. 163-23 dated the 22nd January 1923 and your reminder No. 509-23 dated the 14th March 1923, I am directed to inform you that the Committee of this Chamber are in favour generally of the scheme detailed in your letter to the Secretary to the Government of Bombay, Marine Department. I am sending to you herewith a cheque for Rs. 1,000 only sent by the Scindia Steam Navigation Company, Limited, a shipping member, being their contribution towards cost of establishing a Nautical School for Lascares in Bombay. You will kindly acknowledge receipt. The delay in reply is much regretted.

APPENDIX 7.

RENEWAL OF THE EASTERN MAIL SERVICES CONTRACT WITH THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.

No. 152-P. W. Delhi, dated 20th January 1923.

From the Government of India, Public Works Department, to Chamber

In reply to your letter, dated December 8th, 1922, I am directed to state that under clauses 34 and 36 of the Eastern and Australian Mail contract, of which a copy was forwarded to you with Mr. Hamilton's letter No. 416-P. W., of September 16th,

1921, the total subsidy payable is £ 295,000 per year. Your Chamber have already been informed of the amount of the Indian contribution towards this total. No payments have been made since 1919-20, as the British General Post Office has challenged the principle on which the allocation of contributions has been determined since 1915, and claims that the present system is unfair to the United Kingdom. The matter is still under consideration.

2. Before stating the amount of the contributions paid by the various parties, I am to state very briefly the system on which they are determined. The whole service to the East and Australia is divided into sections, such as Port Said to Aden, and the cost of each section is ascertained by dividing the subsidy in proportion to the annual mileage of the section. The whole of the cost of the Colombo-Adelaide section and one half of the cost of each of the other sections is charged to the United Kingdom, while the other half is divided proportionately between the other sharers, (India, Ceylon, Straits Settlements and Hong Kong) according to the number of letters sent to and received from them. It is understood that Australia settles its accounts with the United Kingdom independently. The United Kingdom is also charged on account of the letters which it sends by this mail line to and receives from certain other places; e. g., Egypt, East Coast of Africa, Siam, Japan. From the results thus obtained are deducted proportionate shares of the sums received by the United Kingdom, India, Ceylon, Straits Settlements and Hong Kong for the conveyance of foreign closed mails over the route, and to the balances are added proportionate shares of certain incidental expenses.

3. The resultant charges were calculated for the period 1912-15, the latest years for which figures are available in this Department, as follows;—

	£
India.	53,256
Ceylon.	1,643
Straits Settlements	12,541
Hong Kong.	2,322
United Kingdom	208,181

4. Before payment is made, however, a further adjustment takes place. In view of the fact that the outward post from the United Kingdom is usually considerably in excess of the post in the reverse direction, it was considered that it would give the British Post Office an unfair advantage if each contributory retained merely its own receipts, and it was accordingly arranged that the total receipts in India, Ceylon, Straits Settlements and Hong Kong should be pooled with the corresponding receipts in the United Kingdom and then divided equally between the United Kingdom on the one hand and each of the other four countries on the other. Under this pooling system the United Kingdom paid back to India and the other parties for the years 1912-15 annually £35,137 which was distributed *pro rata* according to the actual volume of the postal traffic. The British General Post Office have taken strong objection to the present system of division, which they consider to be unduly favourable to India. This view is contested by the Indian Post Office, but it is unlikely that the present system will continue after the termination of the current contract.

No. T. 1055 of 8th October 1923.

From Chamber to the Government of India, Public Works Department, Delhi.

With reference to your letter No. 152 P. W., dated 20th January 1923, I am directed by my Committee to send their views hereby.

They are firmly of opinion that the time limit of the contract with the Peninsular and Oriental Steam Navigation Company or any other company for the carrying of Indian mails should not be for more than a period of 5 years. The Government cannot be unaware of the fact that Indian shipping is in the state of evolution. They have themselves appointed a Mercantile Marine Committee in response to the demand of the Legislative Assembly and if this Committee carries on its work in the right spirit and its recommendations after getting the approval of the Legislature are put into operation by the Government of India there is no cause for pessimism,

and there is no reason to believe that India will not have a shipping of her own. In view of these circumstances it would not be fair to burden this country with a contract of a long period say 20 years or 30 years which will lead to the anomaly of non-Indian companies carrying the Indian mails while there may be reliable and trustworthy Indian companies to do the same work.

It must be made one of the fundamental terms of any such contract that Indians must be employed in the higher ranks as far as available and that there must be full scope for Indians being trained as apprentices in the different branches of the mercantile marine services.

My Committee are also of opinion that terms of any such contract should be submitted to the Legislatures first. They have noted the statement made by the Government of India in their letter No. 2072 P. W., dated 13th August 1922, that "they will, as usual in due course, avail themselves of the advice and assistance of individual members of the legislature in forming their opinion with regard to the course to be taken in granting the new contract", but regret that they cannot agree that such advice and assistance of individual members should be considered to suffice for the purpose. Such contracts are of great national importance and must be submitted to the Legislature which will thus have the occasion not only to examine other terms of the contract but also financial terms which will need a close scrutiny in view of the financial conditions of the country as also in view of the encouragement to be given to Indian shipping.

APPENDIX 8.

ASSESSMENT OF 'TRAMP' STEAMERS TO INCOME TAX.

No. 66-S, dated Simla, the 14th July, 1922,

From the Government of India, Finance Department to Chamber.

Subject.—Question of the assessment of "tramp" steamers.

Difficulties have been experienced in regard to the assessment of the profits of foreign shipping companies which are now liable to

income-tax. Under rule 33 of the Income-tax Rules, where the actual amount of such profits cannot be separately ascertained, the Income-tax Officer is empowered to calculate the tax of such profits on the same proportion of the total profits of a shipping company as the Indian receipts of the company (meaning thereby the sums received either in India or elsewhere on account of goods shipped or passengers carried *from* India) bear to its total receipts, or on such percentage of those Indian receipts as he may consider to be reasonable, or in such other manner as he may deem suitable. It is understood that in very few cases are accounts furnished to the Income-tax Officers from which purely Indian profits can be ascertained, and that it is necessary in most cases to adopt the proportionate basis, or where full details of the total profits of a foreign company are not forthcoming, to take such percentage on the "Indian receipts" as has been ascertained to be the average percentage of profits earned by purely Indian shipping companies, or otherwise.

2. Further, owing to the fact that foreign shipping companies have recently been made liable to income-tax for the first time, complaints have been made that it is unfair that tramp steamers (*i. e.*, steamers belonging to, or chartered by. persons or companies whose principal place of business is not in India and who have no regular agents in India) should not also be required like liners to pay income-tax on their profits. It is not possible to take steps for the taxing of profits derived from tramp steamers under the present Act, as in most cases there are no persons who can be treated as agents of the owners of such steamers, and who can be made responsible for furnishing a statement of their annual profits or paying the tax thereon. It has, therefore, been suggested that the Act should be amended in order to require the owners or charterers of tramp steamers, or other persons carrying on business temporarily in India who are likely to leave India before they can be properly assessed, to give security by way of bond or deposit for the due payment of the tax, and that provision should also be made in the Act under which the owners or charterers of such ships should be required to make a full return of the amounts payable to them in respect of outward freights and passengers each time that they arrive at an Indian port, that they

should be assessed to income-tax on 5 per cent. or 10 per cent. or some other percentage of the gross Indian receipts, and should be required to pay the tax prior to the clearance of the ship, and that the Collector of Customs should not grant a clearance but should detain the ship until satisfied that the tax has been paid. Provisions of this nature are contained in the Australian and South African Income-tax Acts.

3. I am directed to ask for your views (views of your committee) on the proposals mentioned in paragraph 2. The main difficulty anticipated is in arriving at the percentage of the gross Indian receipts which should be assumed to represent profits. The 5 per cent. and 10 per cent. adopted in the Acts of the Dominions referred to, appear to be arbitrary figures, and it is difficult to determine on what basis any arbitrary percentage of this nature should be fixed. It has been suggested that it might be possible to take a varying percentage, a percentage that should vary every year or every 5 years according to the average percentage of profits on freights that have been ascertained from the accounts of the purely Indian shipping companies or of other companies that produce detailed accounts.

4. It must not, of course, be forgotten that while it is desirable that tramps like liners should bear their share of taxation, the regular lines have many advantages and means of eliminating or palliating competition as compared with the owners of "tramps"—and it is most undesirable to do anything which would tend to drive away any class of shipping from Indian Ports. A steamer may make a profit on one voyage and a dead loss on another and such losses may hit the owner of a tramp much harder than the owners of the regular liners with their greater resources and established connections.

5. In view of the difficulties that have been experienced in the assessment of foreign shipping companies with agencies in this country, the suggestion has also been put forward that the tax on all ships owned or chartered by persons whose principal place of business is not in India, should, whether there are recognised agents or not, take the form of a tax on a percentage of the gross freights, *i. e.*,

that the system which it has been suggested might be adopted for the taxing of tramp steamers, should also be applied to all foreign-owned ships. The difficulty in this case again would be to arrive at a suitable percentage, indeed the adoption of this system in the case of all foreign ships would increase that difficulty in proportion as it reduced the statistical basis for the determination of the percentage.

6. The question bristles with difficulties, and Government would be glad to have at as early a date as possible your views (views of your Chamber) on the questions:—

(1) Whether an attempt should be made to tax the profits of tramp steamers;

(2) What is the most practical method of determining and taxing such profits;

(3) Whether there is any need to replace the existing system of taxing the profits on ships owned by persons or companies abroad who have regular agents in this country by any system such as taxing on a percentage of freights and if so, how that percentage should be determined.

No. T. 385 of 19th April 1923.

Chamber's reply to above.

I am directed to send hereby views of my Committee with regard to the proposal to assess "tramp" steamers to income-tax.

Before laying down definite suggestions in reply to the letter of the Government attention may be drawn to similar taxes levied in other parts of the Empire, for example Australia and South Africa.

I. Australia.

The following taxes are levied at Australian ports:—

1. The *federal* income-tax of s. 2, d. 8. in the £ on 10 % of the freight loaded,

2. *State Income-tax* on 5 % of the gross freight as follows :—

£. 400/–at 5d in the £.

£. 500/– „ 7 „ „ „

£. 600/– „ 9 „ „ „ and anything above that.

at 1s and 2d in the £.

The state incometax is levied in South Australia, New South Wales, Victoria, Queensland, Western Australia and Tasminia.

3. A super tax of 25 % on the amount recoverable under the state incometax.

These taxes work out thus in practice. A steamer with say a gross tonnage of 4600 tons and earning say a freight of £, 46,000 pays taxes amounting to about £ 700.

2. Union of South Africa.

Income-tax of s 1/6 in the £ on 10 % of the gross freight loaded is levied on steamers loaded at South African Ports. A steamer earning £ 8120 has to pay income-tax of about £ 60—the taxable amount being £ 812.

1. My Committee are entirely agreeable to the suggestions that Tramp Steamers should be taxed.

2. The most practical method of levying the tax would be to demand income-tax on 10 % of the gross Indian receipts which should be required to be paid up prior to the clearance of the ship.

3. The existing system of taxing the profits on ships owned by persons or companies abroad who have regular agents in this country needs to be changed and my Committee are of opinion that it should be brought in conformity with their suggestion made in para No. 2.

APPENDIX 9.

QUESTION OF GIVING PRATIQUE BY WIRELESS IN THE SUEZ CANAL.

No. 4314-D dated 20th June, 1923.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith copies of a letter from the Government of India, Department of Commerce No. 3334, dated the 13th June 1923 and accompaniment and to request that the opinion of your Chamber in the matter may be submitted to Government at a very early date.

No. 3334 dated Simla, 13th June 1923.

From the Government of India, Department of Commerce to the Government of Bombay, Marine Department.

Question of giving pratique by wireless in the Suez Canal.

At one of the recent meetings of the Technical Committee of the International Sanitary Convention a note prepared by the Authorities of the Panama Canal on the system which has been developed there of giving, in certain cases, pratique by wireless was presented. I am now to enclose a translation of that note and to request that, with the permission of His Excellency the Governor-in-Council commercial opinion may be consulted as to whether the introduction of a similar system into the quarantine methods of the Suez Canal would be feasible and advisable from the commercial standpoint, so that if the question be raised at the forthcoming Conference the Government of India may be in possession of local commercial opinion on that point. As this Conference may be called at an early date, I am to request the favour of an early answer.

Note on the method of obtaining "pratique" by wireless by boats passing through the Panama Canal.

I beg to inform the Committee that the subject of the control by wireless of boats as notified by the Quarantine Service in the Panama Canal was submitted for examination by the authorities at Washington in accordance with the request made by the International Office at the May meeting. The Chief Officer of the quarantine zone of the Canal replies as follows:—

I respectfully reply to the Surgeon General on the subject of pratique by wireless, whose attention is invited thereto at the request of the Governor. The order under reference only applies to vessels whose health certificate is clean and which have no illness on board. They must present a list of the ports of call during the previous ten days and any taking on of provisions of any sort or disembarkation of passengers or of cargo are forbidden to them. The vessel is entirely in charge of the Canal authorities during the period of transit, and at each lock, a force of police is put on board sufficient to prevent any person leaving the boat or any goods being discharged. For all practical purposes, the boat during its passage of the Panama Canal is in quarantine in a manner similar to that in the Suez Canal according to the International Sanitary Canvention of 1912 (Section II, Chapter 5, Article 70).

II. The reason for this rule is to facilitate the entry and transit of vessels more especially those which, on account of perishable cargo or for any other reason, ought to pass through the Canal rapidly. The chief object of the Panama Canal is to gain time in navigation and all measures which can be employed to ensure that end are taken. In fact, if the vessel traverses the Canal without going into dock and without taking or discharging passengers or provisions or cargo, it, from the moment that the only persons who come on board are the Pilot and his men, is no more a danger to the health of the zone of the Canal than if it had passed fifty miles away from one of our Ports. The Pilot goes direct to the bridge. He remains there during the whole of the transit and his men remain fore and aft on the deck. These men who form a part of the regular personnel of the Panama

Canal staff, must submit themselves at any moment and when required to medical examination. The Canal administration provides the medical services. It is thus possible to discover any infectious disease in the houses of these men before it has time to spread. Thus their chance of contracting infection are reduced to a minimum. I have never seen up till now any quarantine officer who had been on board vessels in this manner contract an infectious disease."

III. This method does not seem to be at variance with the international methods established by the International Sanitary Convention of 1912. At the time when that Convention was drawn up, wireless was not in general use and it is possible that none of the delegates of that Convention dreamt of applying it with advantage to sanitary methods.

IV. It is moreover doubtful whether the zone of the Canal (Panama) is covered by the ratification of the International Sanitary Convention of 1912. The acting Solicitor, Finance Department, under date of February 2, 1914 has given the opinion that, in the absence of any legislation extending expressly the application of the laws of the United States to the zone of the canal, it cannot be considered to be covered by the ratification of the Convention of 1903. There is no document in the Canal office to show that such legislation was expressly undertaken in connection with the ratification of the Convention of 1912. The Minister of War wrote in a letter dated the 31st March 1914 and addressed to the Secretary of State as follows:—

> "There exists some doubt on the question of whether the Sanitary Conventions of 1903 and 1912 apply to the zone of the canal and I am advised that, since this is a matter of interpretation of Treaties, the exact interpretation ought to come from your Ministry. I shall be happy to be informed of decision at which you arrive."

There is no record in the Ministry that the question was ever settled.

V. But; leaving this aside, one cannot see in what way there is any violation either in spirit or execution of the International

Sanitary Convention of 1903. This document specifies the means for carrying all sanitary measures for the Suez Canal and the International Office has no power to modify those definite agreements, but it does not follow that the quarantine methods in the Panama Canal can be from this fact, interfered with or regulated. On the other hand, the very omission of this Canal from the Convention indicates clearly that it was not the intention to apply to the Panama Canal the same measures as to the Suez Canal. This is moreover logical, since the quarantine problems at Panama and at Suez are far from being the same. The Panama Canal by means of its strategic position on an important maritime highway, performs, and that in a very marked degree, the functions of a filter checking on the spread of infectious diseases. But its administration is not called upon to guarantee absolutely the complete health of all boats which traverse it; it cannot undertake responsibility for guaranteeing that boats having passed through it are free from all disease. If that were so there would be no need for boats to submit to fresh quarantine inspection in any later port after once they have quitted the Panama Canal.

VI. There is no reason to think that the sanitary condition of any port is endangered by the fact of the development in the quarantine methods adopted. Pratique by wireless is only given after strict examination and a false declaration about quarantine is a breach of the rules and instructions published by the Governor of the Canal; and the person responsible is liable to a fine not exceeding 500 Dollars, or, to imprisonment for not more than 90 days or, to both, according to a decision of a Court in conformity with the Act of Congress authorising the establishment of quarantine regulations.

No. T. 726 dated 11th July 1923

From Chamber to the Government of Bombay, General Department.

With reference to your letter No. 4314-D, dated the 20th ultimo, I am directed by my Committee to inform you that they approve of the proposal for giving pratique by wireless in the Suez Canal.

APPENDIX 10

PROPOSAL TO AMEND THE INDIAN MERCHANT SHIPPING ACT, 1923, IN ORDER TO TAKE POWER TO LEVY FEES FOR INSPECTION OF WIRELESS TELEGRAPHY INSTALLATIONS ON SHIPS.

No. 996-s, dated 24th August 1923.

From the Port officer, Bombay, to Chamber.

Subject:—Proposal to amend the Indian Merchant Shipping Act, 1923, in order to take power to levy fees for inspection of wireless telegraphy installations on ships.

I have the honour to forward herewith extract of paras 1 and 2 from a letter from the Government of India, Department of Commerce, No. 4109, dated the 1st August 1923, and to request that, after consulting the Shipping firms interested, you will be good enough to inform me whether, in the opinion of your Chamber, there is any objection to legislation on the lines indicated therein.

(Extract of paras 1 & 2 from Government of India letter, Department of Commerce, No. 4109, dated the 1st August 1923.)

1. As the Local Government is aware, a Wireless Telegraphy Inspector has been appointed at Bombay since the 1st January last in order to ensure that the requirements of the Indian Wireless Telegraphy (Shipping) Act, 1920, embodied in sections 240-45 of the Indian Merchant Shipping Act, 1923 are complied with.

2. It will be seen from the Fees (Increase) Act, 1923, which was republished in Part I of the Gazette of India, dated June 2nd 1923, that it has been decided in the United Kingdom to charge fees from £. 1 to £. 4 for the inspection of a vessel in which the wireless tele-

graphy installation is found to be defective or which is without its proper complement of certificated wireless operators and watchers. The Government of India are of opinion that a similar practice might well be followed in India, and that the result could most simply be obtained by taking power to charge fees ranging between Rs. 15 and Rs. 60 for the certificate required under section 243 (4) of the Indian Merchant Shipping (Consolidation) Act.

* * * * * *

No.-T.-1109-A, of 22nd October 1923.

From Chamber to the Port Officer, Bombay.

With reference to your letter of the 24th August 1923, No. 996-S of 1923, and your reminder of the 10th October 1923, No. 1227-S. of 1923, I am directed to send to you hereby the views of my Committee.

With reference to the proposal of the Government of India to charge fees ranging between Rs. 15 and Rs. 60 for the certification required under Section 243 (4) of the Indian Merchant Shipping Consolidation Act to enable the Government to appoint an Inspector of Wireless Telegraphy Installations on ships, my Committee do not approve of the suggestion as it will add to the already heavy expenditure which has made shipping during the last few years a very unprofitable business. This proposal again does not discriminate between ships that carry out official requirements and those that do not. A discriminatory measure of the type prevalent in the United Kingdom and referred to in the letter of the Government of India, Department of Commerce, No. 4109, of 1st August 1923 charging fees only on ships with defective installations would atleast in theory prove less objectionable. In the case of the present proposal, however, it would affect all the ships whether with defective installations or not and thus handicap ships on the Indian Register in their competition with ships on British Register. My Committee cannot, under all these circumstances, approve of the proposal in question.

APPENDIX 11.

PREVENTION OF DEFERRED REBATES ACT—DRAFT BILL

No. 567-544 M. of 2nd May 1923.

From the Government of Bombay, Marine Department to Chamber.

Subject :—Prevention of Deferred Rebates Act—Draft Bill.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 567, dated the 18th April 1923 and accompaniments and to request that you will be so good as to move your Chamber to furnish Government by the 1st of June at the latest with their opinion on the provisions of the Bill.

Prevention of Deferred Rebates Act.

DRAFT BILL.

GOVERNMENT OF BOMBAY.

Marine Department.

Resolution No. 567.

Bombay Castle, 18th April 1923.

Letter from the Government of India, Legislative Department, No. 3647-A.C., dated the 30th March 1923 :—

"With reference to the Debates of the Legislative Assembly of the 27th March 1923, I am directed to forward herewith copies of the papers noted below* and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

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* Not printed here.

*1. A Bill to provide for the provention of deferred rebates and for the prevention of rate wars and resort to retaliatory or discriminating practices in the Coastal traffic of India; and Annexure, with Statement of Objects and Reasons. 2. Extracts from Legislative Assembly Debates dated 27th March 1923.

"2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

"3. I am to ask that the replies to this letter may be sent in by the 15th June 1923."

RESOLUTION.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Political Resident, Aden, the Chairman, Bombay Port Trust, the Port Officer, Bombay, the Shipping Master, Bombay, the Remembrancer of Legal Affairs, the Millowners' Association, Bombay, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and they should be requested to favour Government with their opinions on the provisions of the Bill. They should be requested to send their replies by the 1st of June at the latest.

2. The Manager, Government Central Press, should be requested to print the Bill with the statement of objects and reasons in the *Bombay Government Gazette*. The Oriental Translator to Government should be requested to have them translated into Marathi, Gujarati and Kanarese and forward the translations to the Manager, Government Central Press, for publication in the *Gazette*. The Commissioner in Sind should be requested to print the Bill and the statement of objects and reasons in English and in Sindhi in the *Sind Official Gazette*. The dates of publication of the draft Bill and the statement of objects and reasons in English and into the vernaculars should be reported to Government.

By order of the Governor in Council,
S. N. ZIMAN,
Acting Secretary to Government.

T. 499 of 22nd May 1923.

From Chamber to the Government of Bombay, Marine Department.

With reference to your letter No. 567-544-M, dated 2nd May 1923, regarding Prevention of Deferred Rebates Act–Draft Bill, I am directed by my Committee to say that they approve of the general principles underlying the said Bill.

APPENDIX 12.

REPORT OF THE IMPERIAL SHIPPING COMMITTEE ON DEFERRED REBATES.

No. 567 M. dated 5th July 1923.

From the Government of Bombay, Marine Department to Chamber.

Subject :—Report of the Imperial Shipping Committee on the Deferred Rebate System.

I am directed by the Governor in Council to forward herewith a copy of the Final Report of the Imperial Shipping Committee on the Deferred Rebate System. The Government of India have received information that this report may be placed for discussion before the Imperial Economic Conference which meets on the 1st October. In order to be in a position to instruct their representatives regarding the attitude they are to adopt in this matter the Government of India have asked to be favoured with the views of this Government, and those of Chambers of Commerce and other Associations concerned by the 15th of August next. I am accordingly to request that this Government may be furnished, as early as possible, and in any case not later than the 1st August next with the views of your Chamber on the question discussed in the report of the Committee. The most important questions which require answer are the following :—

(1) Does your Chamber accept the unanimous findings of the Committee :

(*a*) that the Conference system must be accepted as a necessary concomitant of modern commerce, (paragraph 33 of the Report);

(*b*) that it is necessary for Conference to have some assurance of continuous support from shippers such as will constitute an effective method of preventing intermittent and irresponsible competition for berth cargo by outside ships (paragraph 40 of the Report) ; and

(*c*) therefore legislation to declare both Conferences and the deferred rebates system illegal is not advisable.

(2) If so, does your Chamber agree with the further recommendations of the Committee :-

(*a*) that the agreement system should be given to shippers as a running option to the deferred rebate system, as explained in paragraphs 49 and 50 of the Report ;

(*b*) that on every trade route shippers should be encouraged to form representative associations ; and

(*c*) that for purposes of conciliation and arbitration an Imperial Shipping Board should be set up in London to enquire into complaints about freights and facilities and to mediate between the different interests concerned.

2. I am to state that the Imperial Economic Conference will consider the question of Conferences and Deferred Rebates solely in respect of inter-Imperial trade. Obviously it will not discuss these questions in respect of the coasting trade of the different parts of the Empire, and though the findings of the Imperial Shipping Committee have a very direct bearing on the question of deferred rebates in respect of the coasting trade, yet that question is clearly one which is not suitable for discussion by an Imperial Conference.

3. I am to observe that the Government of India are inclined to doubt whether in practice it will be easy to give effect to the proposition in paragraph 50 of the Report that if shippers are given a running option between a deferred rebate system and an agreement system particular care must be taken that the net financial results of the two systems are the same. If this doubt is justified, it is probable, in view of the known preference of shipowners for the deferred rebate system, that the offer of this option will make little impression on that system. One of the main objections to the system of course is the continuous hold it gives the Conference over shippers, as a result of which it is difficult for shippers ever to break away and for new companies ever to force an entry into a trade route covered by Conference. It will be seen from paragraph 12 (vi) of the Report that in the Straits Settlements homeward trade, this objection has been removed by the agreement arrived at in 1911, under which once in every three years, overlapping rebates cease and shippers are free to leave the Conference without loss of rebates. It seems worthy of consideration whether, as an alternative to the proposed running option, a solution of the deferred rebate problem should not be sought in an extension of this arrangement.

No. T. 819 of 1st August 1923.

From Chamber to the Government of Bombay, Marine Department.

I am directed by my Committee to acknowledge the receipt of your letter No. 567-M, dated the 5th July 1923 together with a copy of the Final Report of the Imperial Shipping Committee on the Deferred Rebate System. After carefully perusing the said report my Committee are of opinion that the arguments advanced by the Imperial Shipping Committee to establish their main conclusion, *viz.*

> "The deferred rebate system is plainly open to certain objections and although the agreement system is equally open to objections we recommend that it should be given to shippers as a running option"

are not only not convincing but are halting and disappointing. Regularity, frequency and efficiency of services which the Imperial Shipping Committee lay down as the special features of the conference system do exist in trades where there is neither any conference nor any system of deferred rebates. As regards their contention that the Conference System stabilises freights and prevents them from rising beyond the normal level, my Committee feel that the evidence tendered before them leads them to a contrary conclusion. It is common experience that all such Conferences have the tendency to create a monopoly with the consequent result that the rates of freight charged by them do not always bear a reasonable proportion to the cost of service of running the ships in that trade. Moreover, the conference system does not care to develop the trade between small ports because the rates of freight fixed by them for those places are often arbitrary and such as will retard the growth of the trade between such ports. The Imperial Shipping Committee make a point about the equality of treatment to all shippers which is more apparent than real because it is not unknown that special facilities for shipments and special rebates are granted to large shippers in certain trades where the conference system exists. Another important point on which the Imperial Shipping Committee lay emphasis is the fact that the ships belonging to the conference do not carry any cargo on their own account. This, no doubt, is a fact, but my Committee strongly hold that it is hardly a count in favour of the conference system because large and influential importing and exporting firms have been found as the agents of the lines forming the conference at ports of great importance. The special advantages which the Imperial Shipping Committee have advanced as a special feature of the conference system do not exist in fact and consequently my Committee cannot agree with the conclusion arrived at by the Imperial Shipping Committee that the conference system must be accepted as a necessary concomitant of modern commerce. My Committee, on the other hand, strongly believe that the conference system tries to drive away all new comers from their field and thus becomes a strong deterrent force against all healthy and legitimate competition. My Committee venture to think that it is not the

forces, that create a monopoly as regards a particular trade, which are conducive to the proper growth of modern trade and commerce, but it is the creation of conditions, which stimulate all healthy and legitimate competition run on efficient lines that is the great desideratum of trade and commerce in these days.

As regards sub-section (*b*) of question 1 in your letter under reply, as my Committee are not in favour of the conference system, they do not agree with the conclusion laid down in that sub-section. My Committee, however, are of opinion that once healthy and legitimate competition is allowed to have a free play in a given trade-route, things will adjust themselves and there will not be any fear of the unnecessary cutting down of the rates of freight.

My Committee have carefully considered the effect of the Deferred Rebate system both on trade and shipping and have strongly supported the Bill introduced into the central legislature by Mr. Seshagiri Aiyer to declare that system illegal. My Committee, however, are not prepared to go to the length of recommending any legislation to declare the conference system by itself illegal once it is shorn of its most mischievous feature, the deferred rebate system.

As already stated above, the main conclusion of the Imperial Shipping Committee does not find favour with my Committee and my Committee are therefore not prepared to recommend that the shippers be given a running option between the agreement system and the deferred rabate system as explained in paragraphs 49 and 50 of the report. Not only do my Committee look upon the deferred rebate system as anti-social in its character, but they hold it as their considered opinion that it has prevented the legitimate growth of shipping in this country. The system must therefore be abolished once and for ever. My Committee, however, do not see any objection if shippers and shipowners enter into an agreement between themselves on the general lines of a proper contract.

My Committee have carefully considered the recommendation of the Imperial Shipping Committee that for every trade route the shippers should take steps to form representative associations and are

of opinion that if such associations are established in the proper manner safeguarding both small and large interests of the particular trade which they represent, they will prove of considerable strength in solving the questions which continuously arise between the shippers and the shipowners.

Referring to the very important recommendation made by the Imperial Shipping Committee that for purposes of conciliation and arbitration an Imperial Shipping Board should be set up in London to enquire into complaints about freights and facilities and to mediate between the different interests concerned, my Committee consider that the constitution and functions of such a Board require serious discussion on the part of the various interests involved and that unless the central legislature has got the power of sending a representative on that Board on behalf of this country, the Board will not inspire any confidence in the minds of the shippers and shipowners of this land.

My Committee note with regret that the Imperial Economic Conference is only going to consider the question of conferences and deferred rebates solely in respect of inter-Imperial trade. My Committee believe that the existence of the conferences and the deferred rebates system in the coasting trade of this country has strongly militated against the legitimate growth of an Indian Mercantile Marine. They, therefore, venture to think that the Imperial Economic Conference would have been well advised to include in their deliberations the way in which the coasting trade of a country is also affected by these two systems viz: the conference system and the system of deferred rebates.

APPENDIX 13.

DEFERRED REBATES AND THE MANCHESTER COMMERCIAL GUARDIAN.

No. T. 1125 of 29th October 1923

From Chamber to the Government of India, Department of Commerce.

The attention of my Committee has been drawn to a paragraph regarding the Deferred Rebates system appearing in the "Manchester Guardian Commercial" in its issue of Thursday, the 20th September 1923, on page 323, a copy of which is enclosed herewith for ready reference. It is stated in this paragraph that "It (the Government of India) has notified the authorities here that India's representatives at the Conference have been instructed to act in accordance with the spirit of a resolution just passed by the Bengal Chamber of Commerce declaring that the Conference system must be accepted as a "necessary concomitant of modern commerce" My Committee will feel obliged if you will kindly let them know how far this statement is correct.

Extract from the Manchester Commercial Guardian dated 20th September 1923

The question of deferred rebates, which is to be raised at the Imperial Conference next month, is likely to give rise to divided opinion. We in this country have our position pretty well defined in general support of the system which has so largely assisted in the continuous improvement of British shipping lines. However vicious the system may appear at first sight, there is the solid evidence of many years' experience to prove that large-scale organisation (which is not the same thing as monopolistic control) is necessary in modern shipping affairs, and that the

deferred rebate system—of the greatest conceivable benefit to the e of our shipping industry—has contributed hardly less advantages to overseas trade, with only minor and possibly avoidable disadvantages. This view has been endorsed not only by the Royal Commission of 1909, but very recently by the Imperial Shipping Committee. But unless Australian opinion has been altered as a result of the report of the Imperial Shipping Committee, it may be presumed to be opposed to the system. Legislation in Australia forbids deferred rebates. The Indian Government, on the other hand, is taking a different attitude. It has notified the authorities here that India's representatives at the Conference have been instructed to act in accordance with the spirit of a resolution just passed by the Bengal Chamber of Commerce declaring that the Conference system must be accepted as a necessary concomitant of modern commerce." The Chamber favours the system of agreements between representative bodies of shippers and shipowners, proposed by the Imperial Shipping Committee as an optional alternative to deferred rebates. But some sort of a tie of the one kind or the other, it is held, is necessary for the maintenance of regular shipping services, which are to be run in slack as well as boom periods of trade.

No. 6280 dated Delhi, the 9th November 1923.

From the Government of India, Department of Commerce, to Chamber.

I am directed to refer to your letter No. T. 1125, dated the 29th October 1923, forwarding a copy of a paragraph from the "Manchester Guardian Commercial" of the 20th September 1923, in which it is stated that the Government of India had notified the authorities in London that India's representatives at the Imperial Economic Conference had been instructed to support the views of the Bengal Chamber of Commerce that the Conference system must be accepted as a "necessary concomitant of modern commerce" You say that your Committee would be obliged if they could be informed how far this statement is correct.

2. As your Committee is aware, the Government of India consulted maritime local Governments and commercial bodies on the subject in order to obtain their views before instructing the representatives of India as to the attitude which they should adopt at the Imperial Economic Conference. The replies received were so diverse that the Government of India decided to instruct their representatives to refrain from expressing any definite opinion.

3. The statement quoted by you is, therefore, incorrect.

PRESS NOTE ISSUED BY CHAMBER.

The attention of the Committee of the Indian Merchants' Chamber was drawn to a paragraph regarding the Deferred Rebate system in the Manchester Guardian Commercial of the 20th September, 1923 (page 323) in which it was stated that the Government of India had notified the authorities in London that India's representatives at the Imperial Economic Conference had been instructed to support the views of the Bengal Chamber of Commerce that the Conference system must be accepted as a "necessary concomitant of modern Commerce." The Committee of the Chamber, however, have been authoritatively informed that this statement is incorrect.

No. T. 1217 dated 20th November 1923

From Chamber to the Editor, Manchester Commercial Guardian.

The attention of my Committee was drawn to a paragraph regarding the Deferred Rabate System in the Manchester Guardian Commercial of the 20th September 1923 (Page 323) in which it was stated that the Government of India had notified the authorities in London that India's representatives at the Imperial Economic Conference had been instructed to support the views of the Bengal Chamber of Commerce that the Conference System must be accepted as a "necessary concomitant of modern Commerce." My Committee however, are authoritatively informed that this statement is incorrect. You will kindly publish this letter in your esteemed paper.

APPENDIX 14.

RESTRICTIONS ON FREE IMPORT OF DUTIABLE GOODS AT CERTAIN PORTS IN KATHIAWAR BY COUNTRY-CRAFTS.

No. 86 of 18th June, 1923.

From the Buyers and Shippers Chamber, Karachi, to Chamber.

I have the honour to inform you that my Chamber had applied to the highest Customs Authorities in Sind viz., the Commissioner in Sind for the amendment of the notification No. 455, R. D. dated 7th October 1918. The copies * of the said notification and our Chamber's appeal are herewith attached for your information and guidance, in the matter.

On perusal of the said notification and our appeal, you will find that this question is of great importance and of far-reaching consequences so far as the interests of the trade by Country Crafts and the merchants and shippers in the ports restricted are concerned.

You will also see that question does not affect the port of Karachi alone, but the whole of the Bombay Presidency as we are informed that a similar restriction is placed in Bombay and other ports of the Presidency as well. And for the reasons advanced by this Chamber you will clearly see that our appeal as to the amendment suggested viz:—"That transhipment of dutiable goods to ports in Kathiawar may be permitted in country crafts on the applicants entering with a bond as required by Section 128 of the Sea Customs Act," is quite just, equitable and reasonable and that it should not be restricted to steam vessels alone as notified.

Further you will see, Sir, most of the ports are never touched by the steamers and the notification in question, in other words

* Not printed here.

prohibits, so to say, the transhipment of dutiable goods to the ports mentioned therein, which is in the opinion of my Chamber hardly fair. On the reasons I refer you to para 2 and 3 of our appeal on the point.

The reply of the Commissioner in Sind to our appeal is to the negative. Copy of the said reply is herewith attached for your information. You will see therefrom, that it shows no reason for disagreeing with us and in the opinion of my Chamber, our reasoning on the restrictions of the Section of the Sea Customs Act is quite legitimate and sound and it ought to have been adopted.

From the reasons stated in our appeal you will observe how just our claims and demands as to the amendment suggested are and how prejudicial the reply thereto by the Commissioner in Sind is.

My Chambar therefore suggest, that as the question is of vital importance to all the merchants in Bombay Presidency interested in sea-borne trade, you will be good enough to place the same matter before your Chamber and take up the same to the Government of Bombay for the necessary amendment as otherwise interest of all concerned will considerably suffer if the said notification is allowed to stand.

No. T. 768 of 17th July, 1923.

From Chamber to the Government of Bombay, Revenue Department.

My Committee have been informed that the Commissioner in Sind, Karachi by his notification No. 435 R. D. dated the 7th October 1918 restricted the free transhipment of dutiable goods under Section 128 of the Sea Customs Act 1878 as amended by Act IV of 1914 to certain ports in Kathiawar to goods carried in steam vessels. My Committee will feel obliged if you will be good enough to furnish them with a copy of the said notification and also to let them know the reasons which led the Commissioner in Sind to issue the same.

No. 8664-G of 9th August 1923.

From Government of Bombay, Revenue Department to Chamber.

Subject:—Restriction on free transhipment of dutiable goods to certain ports in Kathiawar under the Sea Customs Act.

In reply to your letter No. T. 768 dated 17th July 1923 on the above subject, I am directed by the Governor in Council to enclose for the information of your Chamber a copy of the Commissioner in Sind's notification No. 455 dated 7th October 1918 and to state that the object of restricting the privilege of free transhipment of dutiable goods to goods carried in steamer to the ports in question was to guard against possible loss of revenue that might be caused by the goods being smuggled ashore along the coast between the ports of transhipment and destination.

REVENUE DEPARTMENT.

Government House, Karachi, 7th October 1918.

No. 455.—In exercise of the powers conferred by section 130 of the Sea Customs Act, 1878 (VIII of 1878), as amended by Act IV of 1914, the Commissioner in Sind, as the Chief Customs Authority, is pleased to make the following rule with effect from the 15th November 1918, *viz.*:—

The free transhipment of dutiable goods under section 128 of the Sea Customs Act, 1878 (VIII of 1878), as amended by Act IV of 1914, to the undermentioned ports in Kathiawar shall be restricted to goods carried in steam vessels:—

Bedi.	Mahuva.	Porbandar.
Bherai.	Mangrol.	Salaya.
Chorvad.	Miani.	Sundrai.
Jinjura.	Navabandar (under Junagad).	Sutrapara.
Jodiya.	Navabandar (under Navanagar).	Tulaja.
Kathiwadar.	Navibandar.	Veraval.
Madhavpur.	Pimpawao.	Wawania.

H. S LAWRENCE,
Commissioner in Sind.

No. T. 968 of 7th September 1923.

From Chamber to Government of Bombay, Revenue Department.

I am directed to acknowledge the receipt of your letter No. 8664-G, dated the 9th August 1923.

My Committee are of opinion that the restrictions which were imposed by the Government Order dated 7th October 1918 No. 455, may have some justification when conditions were unsettled owing to prevalence of the war, but that now there is apparently no reason for the continuance of this order. They beg to request you, therefore, to be pleased to rescind the order under reference as they are informed that it is causing much loss to countrycraft.

No. 8664-G of 5th November 1923.

From Government of Bombay, Revenue Department to Chamber.

Subject:—Restriction on free transhipment of dutiable goods to certain ports in Kathiawar under the Sea Customs Act.

With reference to your letter No. T-968 dated the 7th September 1923 on the subject mentioned above, I am directed by the Governor in Council to state that the reasons already communicated to the Chamber in Government letter No. 8664-G. dated the 9th August 1923 for putting certain restrictions on free transhipment of dutiable goods still hold good and that cases have recently come to light which show the necessity of continuing these restrictions.

APPENDIX 15.

MEASUREMENT OF COUNTRY—CRAFTS.

No. 88 of 2nd July 1923.

From the Buyers and Shippers Chamber, Karachi, to Chamber.

I am directed to herewith forward you a copy of our representation, addressed to the Secretary, Country Craft Committee (Dharwar) in connection with the system of measurement of Country Crafts, for information of your Committee.

As the said Committee is now considering the question of the system of measuring Country Crafts in order to work out their tonnage, which will affect the whole of the Presidency, it is very necessary that your Chamber should take a keen interest in this matter.

From our representation you will be able to find that the system of measuring country crafts now in force is much prejudicial to the crafts owners from the following facts, *viz* (*a*) the crafts measured according to the present system and remeasured according to the universal system of the Board of Trade Rule No. 1 have shown that the tonnage worked out according to the present system is much greater than that worked out according to the Board of Trade Rule which is accepted as correct throughout the world. Thus craft owners have suffered in payment of undue taxes which are calculated on gross registered tonnage; and (*b*) taking the instances of steamers which are measured according to the Board of Trade Rules the ratio of their carrying capacity to their registered tonnage is 8 to 5 whereas the carrying capacity of country crafts falls far below their registered tonnage. All such facts have been stated in our representation. In the interests of the trade borne by country crafts, my Chamber requests your Committee to take necessary steps in support of our representation.

COPY

June 1923.

From Buyers and Shippers Chamber, Karachi to the Secretary, Country—Craft Committee.

In continuation of my letter No. 60 dated 26th March 1923 addressed to the Port Officer Karachi, which was handed over to you while you were in Karachi, I am directed by my Chamber to place before your Committee my Chamber's view on the subject of measurement of Native Craft as under.

That the difference between the experimental measurement under Rule 1, made by Mr. Page at your suggestion and the present system of measurement of country crafts at Karachi, shows the following results :—

1	2	3	4
No. Type of Boat.	Measurement under Rule 1 as done by Mr. Page, (Poop excluded)	Registered Tonnage as per present system (Poop excluded.)	Excess.
Dingy, 375 C ...	109·35	176·35	67
Dingy, 407 C ...	105·92	186·25	80
Dingy, 379 C ...	46·19	82 76	36
Kotia, of Mr. Pestanji measured in your presence.	132·4	199·	67
Kotia, No. 6 ...	121·47	166·66	45
Kotia, 384 C ...	92·27	115·18	23
Kotia, 436 C ...	151·89	192·39	41
Sambook 330 C ...	74·85	114·52	40

N. B.—All above boats are decked.

In the following 2 cases the measurement of boats Nos. 237 and 19 C taken according to the Rule 1, exceeds the measurement as shown in their Register and which may be attributed to the following reasons:—

(*a*) Those boats are measured in 1902 and 1899 respectively and it appears to us that some alterations must have been made in them as the breadth and depth as shown in their respective registers and as taken by Mr. Page do not tally. *It is therefore necessary to measure these boats again according to the present system of measuring boats.*

Their measurements as shown in their registers are as following:—

1. Kotia 237 C. Decked. Measured in 1902.

	Length.	Breadth.	Depth.	Tonnage.
According register ...	31	15·3	7.9	41·26
According Mr Page ...	74·4	20·65	11·9	89 67

2. Dhingy 19 C. Open. measured in 1899.

	Length.	Breadth.	Depth.	Tonnage.
According Register ...	30	16	5·58	26·76
According Mr. Page ...	64·5	18·15	8·1	42 73

From the above instances of the eight decked boats you will observe how great is the difference in the principles of measurements now in force since 1873 and how prejudicially it has worked for the last fifty years and what a big amount of extra port dues the owners of the country crafts have paid throughout the ports of the presidency, where the amount should have been far less than charged. You can thus realize what a great blow it has dealt on the trade of the country craft in the whole Presidency. It is now one of the principal reasons why the shipbuilding industry is not in a flourishing condition.

From the following five instances of open boats you will see that their registered tonnage more or less agree, and in their breadth and depth there is not any appreciable difference. It is however submitted that these five instances ought not to be taken as criterion of the measurement to coincide in all cases. In order therefore to find out a proper test, all the boats should be measured according to the system laid down for measurements of open boats and then it may be compared with Rule 1 measurements when it may be possible to ascertain how far they tally with each other.

	Length	Breadth	Depth	Tonnage.
N. B. Dhangi 147-A. open.				
According register ...	22	16	6·4	22·53
According Mr. Page ...	52	16 6	7·9	25·93
Machva 72-A. Open.				
According register ...	37	18·9	7·6	53·15
According Mr. Page ...	59·65	18·9	9·25	53·05
Machva 71-A. Open,				
According register ...	44	22·9	8·3	83·63
According Mr. Page ...	71·1	22·75	10·15	84·69
Dhangi 240-C. Open.				
According register ...	35	17·9	7·8	48·87
According Mr. Page ...	67	18·7	8 85	50·51
Dhangi 241-C. Open.				
According register ...	35	17·9	7·8	48·87
According Mr. Page ...	65·5	18·25	8·6	45·9

N. B. Open boats are measured at present vide Marine department No. 657 under Section 3 of Act XI of 1850 by which the

length of the keel is measured and the depot is measured twice added together and divided by 2. In the list supplied by Mr. Page there are boats serial No. 1, 2, 9, 10 and 20, the registered tonnage of which we have not been able to obtain. But it is pretty certain that when the same is obtained the result in case of decked boats will be the same as shown above. In other words the registered tonnage will far exceed the tonnage taken out by Mr. Page under Rule 1. The other several tests of Jolly boats etc., being of minor importance are not commented upon.

The rules of measurement, as is well known throughout the world is based on the principle of occupation of space in proportion of 40 cubic feet to a ton and the ratio of the measurement adopted in Rules is also the same. Besides the rule of measurement for steamers' registered tonnage is the same.

The ratio of the carrying capacity to the registered tonnage of steamers, as we believe, is 8 to 5 whereas according to the present measurement of country craft the carrying capacity of a boat is far less than the registered tonnage, specially for the vessels with the deck.

At present the principle adopted in the measurement of boats with decks and boats without decks, is different and this was probably laid down in 1873 with the idea that a boat after being decked would increase its carrying capacity, but it is not so and it was proved by our representatives in their interview with Mr. Darford in Karachi that the carrying capacity on the contrary decreased by the boat having deck (though no doubt it added to strength and safety of the vessel and the cargo). It is therefore essentially necessary that the formulæ of measurement of the boats, with and without deck, to be such as may coincide with rule 1 measurement of the Board of Trade as taken by Mr Page.

The boats touching at Karachi are of various types e. g., Kotias, Dingis, Booms, Sambooks, Buglows, Machwas, Batelas etc. etc. The attention of your Committee is therefore drawn to the fact that the method adopted in measurement of country craft should be so simple

as could be easily understood not only by all the boat owners and tindels but also by Government Officials and subordinates at minor ports in the Presidency where most of the vessels are measured and registered. In case your Committee is inclined to adopt co-efficient system of measurement of country crafts, your attention is drawn to various types of boats described above and the same should be drawn in such a way that it must coincide with the measurement rule No. 1, and in case the boat owners are not satisfied with that, they must have the option to get their boats measured according to rule No. 1, and costs, if any, to be met with by the defaulting party.

T-1071 of 9th October 1923.

From Chamber to the Buyers and Shippers Chamber, Karachi.

With reference to your letter No. 88 dated the 2nd July 1923 on the subject of the system of measurement of country crafts, I am directed by my Committee to inform you that they are in favour of the adoption of the Board of Trade Rule No. 1; but as this rule is very intricate and cannot be worked out by most of those who are at present doing that work, my Committee suggest that there should be some form of rule to be made out which would be simple and the result obtained thereby should be such as if it had been obtained by the Board of Trade Rule No. 1. Kindly let me know if you wish my Committee to do anything further in the matter.

No. 153 of 13th November 1923.

From the Buyers and Shippers Chamber, Karachi to Chamber.

With reference to your letter No. T-1071 dated 9th ultimo, I am directed by my chamber to inform you that they also agree with you on the said subject and the correspondence carried on by my chamber amply proves the justification of the said rule being adopted. But the difficulty is that the boats are being built in various types and

one co-efficient rule would not answer the required purpose. One form of rule might not help in this matter. My chamber has therefore suggested that there should be different rules as regards different types of boats; at the same time the said rules should meet with the Board of Trade Rule I so that the Country Craft may not suffer in measurement any more as it did in the past since the last 50 years.

T 1356 of 10th December 1923.

From Chamber to the Buyers and Shippers Chamber, Karachi

With reference to your letter No. 153 dated the 13th November 1923, I am directed by my Committee to request you to put forward some concrete suggestions with regard to the rules to be adopted for the measurement of Country Crafts, as in the absence of such concrete suggestions, it is not possible for my Committee to take any further action in the matter.

APPENDIX 16.

GRIEVANCES OF PASSENGERS ON BRITISH INDIA STEAM NAVIGATION COMPANY'S BOATS.

No. T 607 of 13th June 1923.

From Chamber to Agents, B. I S. N. Co, Ltd, Bombay.

My Committee have received a letter from a passenger by S. S. "Karapara" conveying some complaints to which your attention is drawn. The chief complaints may be summarised as under:—

(1) The attitude of some of the petty officials is something else than civil;

(2) Information required by the passengers is generally not given to them.

(3) Passengers are charged for the personal luggage that they carry with them on the day they arrive at their destination. No weight is shown to them. No tariff is adhered to and arbitrary amounts are asked from them. Unusual steps are taken to recover these amounts.

(4) In Mombasa the Customs people were asked to collect the amount to the extent of Rs. 84 from one of the passengers.

(5) The Officers' putting up airs of superiority and being some bodies are intolerable to the passengers.

(6) The Doctor on Board should be paid better salary if expedient so that he may not charge the passengers on voyage for medicines and medical attendance as he generally does.

(7) The menial staff should be given to understand that they exist for the sake of the passengers and not for the sake of the brass knobs of the cabins and saloons which get more care and attention at their hands than the former.

(8) Before the issue of tickets the passengers should be informed of the amounts they have to deposit at certain ports such as Mombasa, Zanzibar and Mozambique that they may not be stranded and the trouble of the ships authorities would also be saved.

(9) Lately at Mombasa and Zanzibar they require £10 either in cash or security to that extent. In Mozambique now they require £30 instead of £20 so far. This information should be given to the passengers beforehand.

My Committee have sent this summary complaints to you with a hope that you will kindly make inquiries with regard to these and give a redress to the passengers wherever complaints are justified and relief is possible.

No. 728 of 21st June 1923.

From Agents, B. I. S. N. Co. Ltd to Chamber.

We thank you for your letter dated 13th inst. and much regret to note that you have received a letter from a passenger by the "Karapara" making several complaints regarding treatment etc. which he received on board. You do not advise us of the date on which the passenger in question sailed from here by the "Karapara" and to enable us to make full enquiries into the complaints put forward we shall be glad if you will advise us of this so that we may be able to remove any ground for complaint.

As regards the complaints Nos. 1, 5 and 7 we are taking this matter up with various vessels on the run and we trust there will be no further complaints regarding this question in future.

In Item No. 2 you advise us that such information as may be asked for on board is generally not given. Commanders and officers of all the African vessels are in a position to give any general information which may be required but possibly in the instance to which you now refer the information which has been asked for has been of an exceptional nature; we shall be glad, however, if you will advise us on this point so that we can take the matter up.

Deck passengers are not charged for personal baggage but a small charge is made for any packages containing other than personal effects. First and second saloon passengers are charged for excess baggage over the amount allowed for under the regulations printed on the back of the passage tickets and a fixed scale is arranged. The packages are measured up and weighed before the vessel leaves Bombay and a note of the amount to be collected is given to the ship's purser who then collects the amount from the passengers in question.

With reference to item No. 4 in your letter under reference we have received no advice of the customs in Mombasa having been asked to collect the sum of Rs. 84 from one of the passengers, but we will make enquiries regarding this when you advise us of the date on which the "Karapara" sailed from here.

Regarding item No. 8 passenger brokers have been advised of the amounts which passengers are required to have on landing at each port and this information is also given to such passengers as book their passages in this Office. Same remarks apply in reply to No. 9.

As regards complaint No. 6 the Doctors on the African Line steamers are not allowed to charge for attending first saloon, second saloon or deck passengers and if any payment has been made by the passenger who has made the complaint we shall be glad if you will ask him to forward us any receipt which is in his possession when we will deal with the Doctor who has made the charge.

No. T. 1048 of 4th October 1923.

From Chamber to Agents, B. I. S. N., Co. Ltd.

With reference to your letter No. 728 dated the 21st June 1923, I am directed by my Committee to enclose herewith copy of a letter received from the passenger at whose initiative you were addressed by my Committee in the first instance on 13th June 1923 by their letter No. T. 607. The passenger in his letter has given information on various points desired by you. Enclosures in original referred to in the accompanying letter are also sent for your reference. My Committee trust that you will kindly look carefully into the matter and take such action as you think proper to give relief to the passengers in future. Kindly return the enclosures after you have done with them.

Copy letter from the passenger on board s. s. Karapara to Chamber.

Your favour dated 11th ultimo. Thanks. As desired by you therein I beg to supply the information needed by the B. I. S. N. Co., in their letter dated 21st June in order that the matter may be properly attended to, and the grievances of the passengers may be redressed.

As regards para 1 of their letter under reply, I may state, it was not specially for any treatment that I myself received that I gave you the trouble, but it was the treatment meted out to all the passengers, Ind iansparticularly. * * *

I sailed from Bombay on Wednesday the 4th April, and arrived at Durban on the 25th of the same month.

As regards para 3, the inform ıtion was never of an exceptional nature. What information would a passenger require on board the steamer? Only about his luggage, and about the times of arrival, and departure of the steamers at the ports. All the informations required by us centered round these, and yet some of the officers especially the gentleman in charge of the luggage, showed no civility whatsoever, and was often rude beyond description. So much so that his behaviour was ultimately brought to the notice of the Chief Officer, who tried to put the matter right for the time being. * *

As regards para 4 I am not aware of the grievances of the deck passengers, who also have to pay certain excess charges a the time they arrive nearer their port of disebarkation. I send herewith the list of the passengers mostly 2nd class who were charged at Mombasa, with their addresses and the amounts the officers wanted to collect from them. I also enclose "a Wine card" at the back whereof the figure and name in blue pencil is all of the bill that was presented to the passenger. Similar were the bills presented to the rest.

In this connection I also enclose 2 excess baggage passes which were issued to only 1 passenger at the port of embarkation. The natural conclusion one would arrive at, looking to the heavy amounts the authorities wanted to collect and the time when they presented these 'wine card' slips, namely only after the ship arrived in harbour, would surely be that there was something out of the way in it.

After this trouble arose at Mombasa, a similar wine card bill was presented to Mr. P. Philips who, straight went and saw the Chief Officer who as he presumably thought that it would mean some trouble, said he was charged through mistake and gave him his

baggage. A copy of the bill given to Mr. Philips as also his address is enclosed herewith.

At Mombasa they did not want to give the baggage to the passengers unless they paid the amount. But when they saw that the passengers were not going to submit to such arbitrary measures, they gave in.

The chief steward wanted that the Indian saloon passengers should not be served at the Bar, but for cash.

He had issued instructions to that effect to the Deck and Cabin stewards. As a result one Mr. Tricumdas of Messrs. Damodar Anandji & Co., Beira, had to pay cash on the 5th April at about 9 p. m. We were all in the Music saloon then. He specially went to his cabin and brought and gave the money. The deck steward of course an Indian, himself felt at the different treatment that was going to be meted out to the Indian passengers.

I thereupon in order to test it, sent for a bottle of gingerale. My card was also refused and when I asked for the reason that chief steward had not the moral courage to openly admit his aim, but he took shelter under "not in the bar". I then asked for lemonade which was served. I enclose that very "wine card" herewith. Thereafter we never had to pay cash.

At Zanzibar I went to the shore leaving the key of my cabin with the cabin steward. When I returned I found my kit shifted to other cabin in my absence.

I protested to it and kit was brought back to my cabin.

These will serve as examples of the integrity and fairness of the European Chief Steward. * * *

It is no use crying over the spilt milk now, but it would be only fair if the agents make necessary arrangements that if any baggage is to be charged they may charge at the point of embarkation, and not leave the passengers absolutely at the mercy of the officers on board the steamer. It would be better if they publish the rates also.

As for para 6 the information may be given to the brokers. But brokers care for their commission only. Hence it would be better if these main Immigration requirements be printed on the back of the tickets.

As for the last para. I beg to refer you to Major F. Lee Pratt, Soldiers' Christian Association, 6 Drummond Road, Agra, U. P. India. He was charged Rs. 2 by the Doctor. If you will kindly write to him he will send over the bill to you. This is a European gentleman that was charged. You will be able to judge from it if an Indian would be treated free. Mr. Lee landed at Beira. * *

Generally passengers being birds of passage mutely suffer somehow or other, all that comes to their lot, and do not worry much about it once their voyage is finished. Besides, they are often afraid to incur the wrath of these masters of the sea.

Hence it is very seldom that the attention of the agents is drawn to their sufferings. I trust with the materials I have placed before you you will be able to convince them of the truth of my complaints and the purpose.

P.S.—I have further enclosed a list of the passengers who were not allowed to land at Mombasa as they could not find the deposits of Rs. 150 each. They were being taken to the South in order to be returned to India, but at Zanzibar one of our compatriots who was a passenger from Mombasa to Zanzibar stood guarantee for them and got them landed there.

No. P|B. I. of 10th October 1923.

From Agents, B. I., S. N. Co. Ltd. to Chamber.

We are in receipt of your letter No. T. 1048 of the 4th instant enclosing copy of a letter together with enclosures in original from a passenger who sailed from Bombay on the 4th April in the s/s "Karapara".

Two of the bills enclosed with your letter have not been submitted on the Company's official forms and when the s-s "Karapara" is next in Bombay we will have a careful enquiry made as to the circumstances under which such bills were tendered to passengers. Steps have already been taken to ensure that the excess baggage charges of saloon passengers should as far as possible be collected before passengers embark and we hope that this arrangement will be acceptable to passengers. At the same time you will no doubt realise that passengers frequently travel with an excessive quantity of baggage and yet resent being charged for the excess.

As regards the charge of Rs. 2 made to Major F. Lee Pratt fo medical attention we have to inform you that the amount has been refunded to this passenger and all Doctors have been warned that no charge may be made to passengers for medical attention.

If Indian passengers are refused permission to land at Mombasa through being unable to furnish the necessary deposits we do not think any blame attaches to this Company in view of the fact that the landing deposit formerly collected by us from Indian passengers was discontinued to meet the wishes of Indian passengers as represented to us by the British East Africa Indian Association, Mombasa. We think that there is little doubt that a certain number of Indian passengers proceed to African ports with inadequate funds in the hope that they may pass the Immigration Authorities. Every effort is made by us to warn passengers of the position as you will see from the paragraph headed "Passage Immigration Regulations" in the attached leaflet which we issue to passengers.

The other matters complained of will be enquired into further on the arrival of the "Karapara" in Bombay, and suitable action taken where necessary.

APPENDIX 17.

INCREASE IN LANDING CHARGES BY THE B. I. S. N. Co.

No. T. 878 dated 14th August, 1923.

From Chamber to the Agents, B. I. S. N. Co.

My Committee are informed by the Indian National Association of Zanzibar that you have increased the landing charges and that these increased charges are made applicable to cargo booked from Bombay and through cargo from Calcutta, Rangoon, Madras, Karachi, Hongkong etc.

My Committee cannot understand why these charges are increased when the trade all over the world is in such a depressed condition and cannot bear any further burdens placed on it. Still less can they understand the reasons for making these increased charges applicable only to ports mentioned above and not to ports in western countries. Surely if there is an increase in cost to the company in respect of landing charges it cannot be merely in the case of a particular cargo but it must be in the case of all cargo.

My Committee will be much obliged if you will kindly throw some light on this matter.

No. 872 of 15th August, 1923.

From Agents, B. I. S. N. Co. to Chamber.

We are duly in receipt of your letter No. T.-878 of yesterday's date having reference to the rate of landing charges on cargo at Zanzibar.

The increased rate was sanctioned by us after due consideration in view of the high charges at Zanzibar for landing cargo etc. This rate applies to all cargo going forward from India and other ports by Bombay-African vessels, and we much regret that we cannot see our way to making any reduction in this charge.

No. T.-966 of 6th September, 1923.

From Chamber to Agents, B. I. S. N. Co.

I am directed to acknowledge receipt of your letter of the 15th August 1923, No. 872.

My Committee are sorry that you have not replied to the main question viz., how is it that while increases have been effected in landing charges for cargo booked from Indian ports and one or two other Asiatic ports, no such increase has been effected in landing charges for cargo booked from western ports. If there are high charges at Zanzibar for landing cargo, etc., surely this condition applies to cargoes booked from all the ports irrespective of the fact whether they are eastern or western. My Committee will be much obliged if you will inform them of the reasons for this differential treatment.

No. 956 of 7th September, 1923.

From Agents, B. I. S. N. Co to Chamber.

We are duly in receipt of your letter No. T. 966 dated 6th instant having reference to the question of landing charges on cargo for Zanzibar.

The rate which is now charged on cargo to Zanzibar is based on the actual cost of landing cargo and if a lower rate is charged on cargo from western ports to Zanzibar there must be some special arrangements made to cover this. We regret, however, that we are not aware of what the landing charge on home cargo is or what the arrangement is in connection therewith.

No. T. 1390 of 12th December, 1923.

From Chamber to Agents, B. I. S. N. Co.

I am directed by my Committee to reply to your letter No. 956 dated 7th September 1923, in which it was stated that you were not

aware of what the landing charge on Home cargo was. My Committee are, however, informed that the rates of landing charge over different steamship lines are as under:

(1) Compagnie des Messageries Maritimes	On Home cargo 30 francs per ton B/L; on cargo other countries Rs. 6 per ton B/L.
(2) Holland East Africa Line	Rs. 6/30 cts., per B/L ton.
(3) Cowasjee Dinshaw & Bros	Grain bags, etc., at 6 annas each Piecegoods bales, cases etc., 8 to 12 annas each according to size.
(4) Karimji Jivanji & Co. ...	6 annas per bale and Rs. 4-8-0 per open ton of 40 c. ft.
(5) Societe Coloniale Italiana ...	Rs. 6/30 per B/L ton.
(6) The African Mercantile Co., Ltd.	Rs. 4/50 per B/L ton.

My Committee think that your rate of Rs. 9/25 per ton (inclusive of the Government wharfage charge 75 cents per ton) is very high when compared with the rates charged by other steamship companies as shown above. This high charge by your Company puts, it is feared, a heavy burden on Indian trade with Zanzibar. My Committee beg therefore to approach you again with a request to reduce your rate of landing charges to the level of that charged by other steamship companies. My Committee also fail to understand why the B. I. S. N., Company alone should charge higher landing charges on cargo from Indian ports, while other companies charge uniform rates for cargo from all ports.

APPENDIX 18.

ADDITION OF CLAUSES IN M/R AND B/L ON SHIPMENTS FROM KARACHI TO PERSIAN GULF BY THE B. I. S. N. Co.

No. 85 of 18th June 1923

From Buyers and Shippers Chamber, Karachi, to Chamber.

I am directed by my Chamber to address you as follows :—

1. That our Chamber has entered into correspondence with the British India Steam Navigation Company Ltd., regarding insertion of some clauses in the Bills of Lading which the said company recently introduced. My Chamber protested against the insertion of the said clauses but the company seems to pay little heed to our representations. Copies* of the said correspondence are herewith sent for your information and guidance on the subject.

2. From perusal of the said correspondence and the reasonings advanced thereon you will observe how detrimental the insertion of the said clauses is to the interests of the Indian Merchants having trade connection with Persian Gulf and other ports.

3. The British India Steam Navigation Co. Ltd. has to deal with merchants more than any other Steamer Companies and therefore the introduction of the said clauses by them entail considerable hardship and loss to the Indian merchants dealing in sea-borne trade.

4. The attention of your Chamber is however drawn to this most important fact which must not be lost sight of, viz, that for no other part of the world is there any such clause in any of the Bills of Lading

* Not printed here.

including that of the said company as to filling of goods in double gunny bags for long distance as America or Australia, whereas in ports of Persian Gulf this company has introduced this clause which to say the least is a great blow to the Persian Gulf trade. In the opinion of my Chamber this is due mainly to the patent fact that there is no keen competition of any other steam company.

5. My Chamber therefore requests that as the subject is of general importance affecting ths entire body of the Indian Merchants throughout the Indian Ports your chamber would kindly take up the said matter in right earnest and prevail upon the British India Steam Navigation Co. Ltd. to dispense with the insertion of the said clauses.

Soliciting the favour of an early reply on the subject.

No. T 805 of 27th July 1923.

From Chamber to Agents, B. I. S. N. Co.

My Committee have received copies of correspondence that has passed between the Buyers and Shippers' Chamber of Karachi and your Karachi Agent in connection with the above matter. They have gone fully into the proposed clauses and have directed me to put forward the following comments for your consideration :

(1) A large part of the trade of the world is carried on by packing in single gunnies and there appears to be no valid reason why the shippers on this route should be handicapped by the requirement of double gunnies.

(2) The whole of the Burma rice trade is carried on by the use of single gunnies. It may be pointed out that wheat, gram, peas, dall, and other grains would not come out of the bags as easily as rice. There is no reason why double gunnies should be required for all these sorts of foodstuffs when single gunnies are allowed for rice. Though the distance between Rangoon and Bombay is greater than

that between Karachi and the Persian Gulf, a shipping company does not appear to take any additional risks by accepting single gunny packing for the former route.

(3) A shipping company is within its rights to refuse cargo packed in very inferior, old, or torn and repaired bags or to repudiate any liability for such packings but my Committee think it unfair to compel shippers to adopt double gunny packing.

(4) As it is, shipping companies are fully protected by the very wide clauses in the existing Bills of Lading and there does not appear to be any valid ground for such a clause to reduce their liabilities further.

My Committee beg to request you, therefore, to be good enough to consider the advisability of dropping these clauses.

No. B/M 9541 of 24th August 1923.

From Agents, B. I. S. N. Co. to Chamber.

Referring to your letter No. T/805 of 27th July, we have to inform you that the question of the insertion of the clauses referred to was thoroughly gone into by us in conjunction with the Company's Agents, Karachi, and Managing Agents, Calcutta, before it was decided to insert same. The Company's experience in handling the various commodities puts it in a position to know what is the best method of packing sufficiently protective to the contents during transit and handling, and we trust that the members of your Chamber will realize that it is in their, as well as in their clients', interest for the commodities in question to be sufficiently well packed, and if this is done in accordance with the clauses referred to, and their cargo is landed in defective condition, claims will be met by the company.

We regret we cannot see our way to delete the clauses.

No. T 1069 of 9th October 1923.

From Chamber to Agents, B. I. S. N. Co. Ltd.

I am directed by my Committee to acknowledge receipt of your letter No, 9541 dated 24th August 1923 on the above subject.

My Committee are not still convinced of the justification for inserting the additional clauses on M/R and B/Lading. They would like to point out that the margin of profit on trade in most of the commodities is so narrow as not to bear the additional cost of even a single gunny bag and consequently the insertion of these additional clauses is likely to prove detrimental to the various trade interests concerned. My Committee would reiterate their opinion expressed in my letter No. T. 805. dated the 27th July 1923, that as it is, shipping companies are fully protected by the very wide clauses in the existing Bills of Lading and there does not appear to be any valid ground for any additional clause to further reduce their liability.

My Committee have further been informed by the Buyers and Shippers' Chamber, Karachi, that you have agreed to omit the single bag clause inserted in M/R in respect of gram, dhall, peas and rice. In view of what has been said above, my Committee have to request you to do away with the additional clauses in M/R and B/Lading altogether.

No, B/M 11224 of 11th October 1923.

From Agents, B. I. S. N. Co to Chamber.

Re: Additional Clauses on M/R and B/Lading on shipments from Karachi to Persian gulf.

We have to acknowledge receipt of your letter No, T 1069 of 9-10-23 regarding above subject contents of which we note.

In reply we have to inform you that we have nothing further to add to our letter No, BM 9541 of 24-8-23 and we regret we cannot see our way to delete the clauses referred to.

The undernoted clause is inserted on M/R, and B/Lading for shipments of Gram, Peas and Dhall only and it has not been agreed to omit same either from Mates Receipts or Bills of Lading.

"The Company will not entertain any claims whatsoever "unless Gram, Peas and Dhall are packed in new sound bags made from Standard "A Twill" fabric 8 x 9 44"x 26½ "hemmed 2½ lbs. or better quality fabric."

(B) CURRENCY, EXCHANGE, FINANCE AND ECONOMICS.

(A) CURRENCY AND EXCHANGE.

APPENDIX 19.

PREWAR GOLD PARITY OF THE RUPEE.

Telegram from Chamber to the Government of India, Finance Department, dated 27th January, 1923.

"Committee Indian Merchants' Chamber beg to draw attention of Government to the prevailing acute stringency in the money market and to the serious and chaotic condition of the present currency arrangements of the country and urge on them the necessity of immediately repealing the hasty legislation of 1920 in order to enable natural forces to operate freely on our exchange position."

T. 961 of 4th September 1923.

From Chamber to the Government of India, Finance Department.

I am directed by my Committee to once more draw the attention of the Government of India to the advisability of removing the

fictitious ratio of 2 shillings gold to the Rupee from the Coinage and Paper Currency Acts and of reverting to the pre-war gold parity of the Rupee. My Committee are quite aware that in reply to question in the Council of State and the Assembly the Government have indicated their opinion that there was no harm done by the 2 shillings rate remaining on the Statute Book, but my Committee most emphatically beg to differ. They cannot overlook the fact that Exchange was rushed up early this year from 1 sh. 4d. to 1 sh. 5½d. in a very short time and that such wild fluctuations have a very demoralising influence on our over-seas buyers and therefore exert a most unfavourable influence on our Export Trade. My Committee, therefore, consider that most serious harm is done to India's Export Trade and therefore to Indian producers by continuing on our Statute Book a ratio which has now been conclusively proved to be entirely out of line with India's economic conditions and they think that the need of immediately restoring the pre-war rate is now imperative. The change from the old ratio of 1 sh. 4d. gold to the Rupee to 2 sh. gold to the Rupee was considered by my Committee entirely unjustified even in 1920 when the necessary amendments to the Coinage and the Paper Currency Acts were forced through the old Councils, just when the very costly attempts at keeping the Rupee at 2 sh. gold by sales of Reverse Bills had completely broken down. My Committee even then strongly protested against the proposed amendments and pointed out that the economic situation then was quite abnormal and did not justify the change of ratio. My Committee strongly appealed to Government to postpone action and such postponement was strongly urged in the Council itself by the Honourable Mr. R. D. Tata, but to no purpose. The 2 sh. rate was tantamount to 50 percent bounty to English manufacturers and exporters and my Committee are afraid it was the very great pressure from Home to put the 2 sh. rate on the Statute Book that made the Government deaf to all appeals for a postponement of any change in the ratio.

How futile the change has been, has been clearly shown by the history of the past three years. Government have been themselves compelled to abandon the 2 sh. rate as far as their own budgets are

concerned, which have been drawn up for the past two years on the basis of 1 sh. 4d. Although Government based their calculations of Home remittances on this rate, they still refrained from offering Council Bills at this rate until recently, no doubt, hoping that something would still turn up, but my Committee have been glad to notice the recent change of policy and the offer of Councils at current rates.

My Committee would, therefore, now urge upon Government the advisability of restoring the old ratio on the Statute Book without further delay. In 1920 it was argued that the situation which led to the breakdown of the rate from 2 sh. gold was abnormal and that as soon as we settled down a bit this rate would be effective, but a glance at the Exchange graphs published by the Labour Office will convince any one that it was 1920 that was really an aberration from the normal and that during the past two years we have been getting back to the true normal. Further evidence of this is seen in the figures of our balance of trade, which are largely in favour of India in spite of the dislocation of trade with Continental Europe. The strong position of this country in the international trade is further testified to by its enormous purchases of bullion, India being after America the largest buyer of gold in the London Market. My Committee, therefore, consider that of all the countries of the world whose exchanges had been upset by the war India is in the most favourable position for a return to stability at the pre-war ratio and hence it is that my Committee consider it urgent that the old ratio should be restored on the Statute Book without further delay to enable our exchange to stabilise round it and thus hasten the restoration of normal pre-war conditions to Indian trade and industry.

In 1920 the price of silver was put forward as one of the strongest arguments in support of the change to 2 sh. In their various representations on the subject both to the Government and to the Babington Smith Committee my Committee had pointed out that the then high price of silver was solely due to the abnormal conditions created by the war and that silver would revert to pre-war prices as soon as we settled down to more normal conditions. This

opinion was no doubt derided at the time by Government experts, but my Committee have the satisfaction of seeing that their view of the course of silver prices has proved correct. The American Government has been able to complete its purchases under the Pitman Act much earlier than was then thought possible and today the best informed opinion in the silver market is that this metal must inevitably go to much lower prices than even the 31d. at which it stands today. Therefore, if ever there was any justification for the change of ratio to 2 sh. on the score of the price of silver, there is now no longer any such justification for trying to adopt a higher ratio than 1 sh. 4d.

The next argument of those who favoured the 2 sh. rate was the high prices then prevailing. It was assumed that such prices had come to stay and it was on this assumption that the Babington-Smith Committee made its recommendation. We know now that the prices of 1920 were abnormal and that the world has gradually returned to near pre-war prices. Apart from the world prices there were special factors at work in India. The very serious crop shortage of 1918 came when India's stocks had been depleted by the war and before supplies could be again laid in we had the second serious crop shortage of 1920. This was really what put prices up in India. Already the better harvests of 1921 and 1922 have entirely changed the situation and today cereals and food grains in this country are very near pre-war values (vide the Indian Trade Journal of 16-8-1923, from which it will be seen that food grains are now only at 10 to 15 percent higher than they were in July 1914). Hence there is no longer even a semblance of justification for rigging up exchange on the score of high prices. Nay it is even highly imprudent and unstatesmanlike today, because in the past four years wages and salaries had been put up not only in our industries but in our railways and Government services of all kinds to compensate for high prices. Already not only industries, but the railways and even the Government find the burden too heavy. It would be almost unbearable if these high wages and salaries are again raised in purchasing power by rigging up exchange and would

throttle all progress in trade and industry in this country. Therefore, my Committee are strongly of opinion that any ratio higher than 1 sh. 4 d. is not only unsound but that in the present state of wages and prices in this country it is even unthinkable.

My Committee had the honour of urging a reversion to 1 sh. 4 d. rate before the Honourable the Finance Member on his last visit to this Chamber but the Honourable Member seemed to consider that there was no harm done if the 2 sh. rate remained on the Statute Book. But as pointed out at the time it is not as harmless as it seems. The ratio named in the two Acts has a distinct purpose. It tells bankers how and at what rate they can exchange international money (gold) into Indian money. A ratio of 1 sh. 4 d. means that they can bring in gold, tender it to the Currency office, and get Rs. 15 issued against it for each sovereign so tendered. Today under the Acts as they stand they can get only Rs. 10. No banker would today think of tendering gold and getting currency issued at such an absurd rate, but if the old ratio was restored it would be operative as soon as the Export Trade was so strong that it required the importation of additional funds to finance it. As soon as the gold point was touched bankers could import gold and get currency issued against it at Rs. 15 per sovereign and trade could go on smoothly. It will, therefore, be seen how necessary it is to immediately make the change in the Coinage and Paper Currency Acts in order to prevent exchange running away as it did early this year by enabling bankers to import gold and get currency issued here against the same. This would have the further beneficial effect of stabilising exchange rates within a narrow range. What my Committee ask is therefore, not merely academic advantage, but a real boon to our export trade. Wild fluctuations in exchange scare away buyers. Our customers do not care to lose money on what they may have bought, and so, as soon as exchange is rushed up orders are withdrawn, and trade soon comes to a standstill, because the buyers feel that the exchange rate was abnormal and could not last and they think it safer to wait and do nothing. The harm done to our trade by this uncertainty is

incalculable and my Committee think it incumbent upon Government to now take steps at the earliest possible moment to restore the old ratio, because the 2 sh. rate has long proved fictitious and does not serve the purpose of linking India with international markets as such ratios should.

No. 1439-F of 13th October 1923.

From Government of India, Finance Department to Chamber.

I am directed to reply to your letter of the 4th September last in which your Committee recommends to the Government of India the reversion to the pre-war gold parity of the Rupee. I am to say that the Government of India have carefully noted the views and arguments set forth in your letter. They are, however, not prepared at the present moment to make any further pronouncement regarding this important question of policy, which has received and is continuing to receive their consideration.

APPENDIX 20.

GOVERNMENT'S POLICY REGARDING INDIA'S CURRENCY RESERVE—SALE OF GOLD FROM CURRENCY RESERVES.

No. T 1124 dated 29th October 1923.

From Chamber to the Finance Department, Government of India.

I am directed by my Committee to draw your attention to a telegram which appeared in the Bombay Chronicle in its issue of the 10th instant regarding the policy of the Government in connection with India's Gold Reserves a copy of which is enclosed herewith for ready reference. My Committee would feel obliged if you will kindly let them know if there is any truth in the statements made in the telegram.

Telegram in the Bombay Chronicle of 10th October 1923.

London, Oct. 8.

The prompt attention of the Indian Legislature and the mercantile community should be drawn to an inspired anonymous article in the "Asiatic Review" of October on Indian finance, which indicates a conspiracy not only to taking over the invested sterling securities in the Paper Currency Reserve but also the transfering of gold in Paper Currency Reserve, with the ulterior object of spiriting away India's gold. The Indian Legislative Assembly should pass a resolution prohibiting the export of gold belonging to Paper Currency Reserve or Gold Standard Reserve without the consent of the Legislature. The mercantile community must insist that the Paper Currency Reserve should be founded mainly on gold and not on silver, on Indian and not on British Government securities or treasury bills.

The Finance Committee of the India Office under City instigation seems resolved to deplete India of its meagre gold holding of 24 crores and again artificially resorting to raising the exchange value of the rupee, the effect of which will be that the Indian producer will be defrauded of his full due and the exporter will be given a disguised subsidy.

The Legislature should, at its first meeting, pass an act changing the ratio of the sovereign to 15 rupees to the pound against the present official rate of ten rupees.

The "Times" in its City article hints that Indian finance authorities are busy carrying out this sinister policy of loot advocated in the "Asiatic Review" article.

No. 1564-F of 13th November 1923.

From Finance Department, Government of India to Chamber.

With reference to your letter No. T 1124 dated the 29th October 1923, I am directed to enclose a copy of a communique, which will issue on Wednesday, the 14th November, regarding the sale by Government of a limited quantity of gold in India.

To issue in the evening of Wednesday, 14th November 1923.

COMMUNIQUE.

The transfer has been made of £ 2,000,000 gold from the Paper Currency Reserve against a corresponding transfer to the Reserve of sterling securities and will appear in the accounts of the Paper Currency Department to be published on Saturday next. This transfer has been made in connection with the proposed sale of this quantity of gold. The gold will not be shipped abroad but will be sold in London against sterling payment for delivery in India from the Mints at Calcutta and Bombay, the amounts offered for sale weekly being regulated according to the market conditions. The percentage of the metallic holding in the Paper Currency Reserve on the 31st October was 68·21, the amount of the silver holding alone being 99 crores. This strong position, combined with the existing premium on gold, renders it advantageous to convert a small portion of the surplus metallic holding into interest bearing securities. The gold can be replaced at a profit as sterling approaches parity with gold and a convenient opportunity for reversing the transaction arises.

Telegram from Chamber to Finance Department, Government of India.

Dated 16th November 1923.

"Committee Indian Merchants' Chamber strongly protest against proposed sale of gold from Currency Reserves which is entirely opposed to sound currency policy and in breach of authoritative pronouncement that India had been put on gold standard. Fifty-five millions of reserves of sterling securities already dissipated and Committee very much fear any further reserves of securities instead of gold will be similarly dissipated. No responsible Government in any country has ever attempted to make profit out of its currency reserves although temptation in case of France and even of Great Britain is far greater. Committee are of opinion proposed step not meant in interest of India but in interest of Great Britain in order,

to prevent further flow of worlds gold to India and thereby steady cross rate with America. Committee emphatically repudiate all notion of making profits on its currency reserves. They have repeatedly urged on Government desirability of holding even Gold Standard Reserve entirely in gold and entirely in India and cannot too strongly protest against present action in contrary direction converting more of gold reserve into paper reserve. Committee greatly fear this action of Government will tend to unsettle confidence in country's note issue and urge on Government give up proposed sale of currency gold. Inchambu."

No. 1686—F of 14th December 1923.

From the Finance Department, Government of India to Chamber.

In reply to your reminder No. T,-1351, dated the 10th December 1923 on the above subject, I am directed to inform you that the Government of India have nothing to add to what the Hon'ble the Finance Member said at the recent meeting of the Associated Chambers of Commerce in Bombay.

APPENDIX 21.

EMERGENCY CURRENCY-AMENDMENT OF THE INDIAN PAPER CURRENCY ACT.

D-O letter dated Camp Bombay 4th April, 1923.

From Mr. A. C. McWatters, Secretary, Finance Department, Government of India to Chamber.

Referring to the conversations between the Hon'ble Finance Member and your Committee this afternoon, the Government of India would be glad to be favoured at an early date with the opinion of your Chamber on the following suggestions for amending the law and procedure regulating the grant of loans from the Paper

Currency to the Imperial Bank of India upon the security of Bills of Exchange :—

(1) That the permissible limit of such loans should be increased from 5 crores to 12 crores;

(2) That the loans should bear interest at Bank rate varying, and should be limited to 3 crores when the Bank rate is at 6 per cent, to a further 4 crores when the Bank rate is at 7 per cent, and to a further 5 crores when the Bank rate is at 8 per cent.

It is not proposed to alter the form of the security required which is defined at present as internal bills of exchange or hundis certified by the Imperial Bank as drawn for trade purposes.

No. T-384 of 19th April, 1923.

From Chamber to the Finance Department, Government of India, Simla.

I am directed in reply to your letter of the 4th instant to send hereby the opinion of my Committee with regard to the suggestions made by the Hon'ble the Finance Member for amending the law and procedure regulating the grant of loans from the Paper Currency Reserve to the Imperial Bank of India upon the security of Bills of Exchange.

My Committee had already anticipated the very difficulties that have now arisen. In their letter to your Department dated the 8th November 1920 they said :

> "My Committee apprehend that the fixing of the figures at five crores may, under certain unforeseen circumstances, prove altogether inadequate; they feel any fixed figure is undesirable for this kind of currency. It may be that if any emergency cannot be tided over by the issue of all the five crores, a very serious situation perhaps, a

panic, might result when another two or three crores could have saved the situation. They, therefore, urge that the issue be made more elastic and that after the first five crores issued at the rate fixed, subsequent issues be permitted at a further graded advance in the rate of, say, crore or more at each such advance. If emergencies and panic are to be really averted it can only be done by providing that as much currency as was necessary would be found although at a price. Such graded rates will have the important advantage of serving as warnings to all and sundry that the storm was coming and that it was time to draw in sail."

The fixed figure of five crores is now considered on all hands to be altogether inadequate and a revision is urgently called for. My Committee think that such revision should be only on the lines they have already suggested, viz: that after the first five crores at the rate fixed for initiating such issues, there should be further finance available at a further graded advance in the rate. Such grading need not necessarily be by one per cent at a time. In the matter of the Bank rate it is unfortunately considered the right thing in this country to raise it or lower it by one per cent at a time. My Committee consider that the successive changing of the Bank Rate in India should be by one-half per cent as in other leading countries such as England, France and the United States of America.

My Committee would however point out that the difficulties this year arose not so much through normal pressure of trade, but were a consequence of the inopportune cancellation of notes of nearly nine crores last slack season, but for which there would most probably not have been seen the severe squeeze that we did see. My Committee would further point out that any facility that may be provided under these emergency arrangements will prove a dead letter unless the Imperial Bank of India makes these provisions effective at the earliest possible moment. This year, so far as my Committee are aware, they abstained from discounting any Bills with the Currency Department and so the object of even the present

provisions was foiled. In this connection my Committee would again draw your attention to another point of their letter of the 8th November 1920 in which they said :

> "My Committee approve of the issue of the emergency currency through the Imperial Bank of India in the form of a loan to them as proposed provided it is not used by the latter Bank as an addition to its own resources for the development of its own business. They, therefore, urge that it should be made incumbent on the Imperial Bank to use these emergency funds in the rediscount of internal bills presented to them for discount by other local banks of good standing, and in such rediscounts only and not for the purposes of making advances to its own customers."

My Committee would urge upon you the advisability of discussing the position fully with the authorities of the Imperial Bank of India and of laying down a definite policy for this Bank to follow, as otherwise the revised rules will again be a dead letter.

As for the total amount, my Committee consider that the more scientific way will be to make it a certain percentage (say, ten per cent) of the total amount of notes in issue. That will make the maximum figure entirely elastic and in consonance with the real requirements of trade for legal tender currency and will also keep this emergency issue in a definite relation to our reserves, a thing that a fixed figure cannot do.

As the Hon'ble Mr. Purshotamdas Thakurdas pointed out at the time of the recent visit of the Hon'ble the Finance Member to our Committee, the greatest strain always comes when the raw products of India are being marketted by the cultivators and the export of produce is at its height, and any financial assistance afforded by the Government to relieve stringency during this period will specially benefit the agricultural classes, whose interests Government always claim to place before everything else. My Committee suggest therefore that the loan should bear interest at six per cent. for the first five crores, at six and one-half per cent for the next five crores, and seven per cent for the balance.

APPENDIX 22.

DISCONTINUANCE OF ONE-RUPEE NOTE.

No. T. 410 of 26th April, 1923.

From Chamber to the Finance Department, Government of India.

Regarding the request of the Honourable Finance Member for an expression of views of my Committee on the advisability of continuing the issue of one-ruppee note my Committee have discussed this question among themselves and have come to the conclusion that whereas the preference by the community for currency notes of other denominations as against silver metallic coins is to be welcomed as making it easier for the Government to go over ultimately to the Gold Standard, the question of one-rupee notes should be examined on very different grounds from this. The chief points which occur to my Committee are :—

(I) The cost of maintaining a continuous issue of one-rupee notes which they understand, at present involve an additional and uncalled for burden on the taxpayer ;

(II) The convenience to the public of different classes.

Regarding the question of convenience the concensus of opinion is that the present material used in one-rupee note and its size involve considerable losses by these notes being either lost or torn or mutilated in their currency from hand to hand and in being carried about. The convenience in tearing out one-rupee notes for small expenditure from the twentyfive rupee note books for the middle and higher classes does not compensate for the losses inflicted on the poorer section of the community in their use of this form of currency or on the taxpayer in the cost of keeping up this form of currency.

No. 708–F. of 24th April 1923.

From the Government of India, Finance Department to Chamber.

Subject:—Question of the discontinuance of the one-rupee note.

I am directed to invite your attention to the remarks of the Indian Retrenchment Committee on the question of the discontinuance of the one-rupee note. Paragraph 5 of the Committee's Report under the head "Currency" reads as follows :—

> "We reproduce as Appendix A an extract from a note by the Controller of the Currency regarding the relative cost of the silver rupee and the one-rupee note, from which it would appear that it is more economical to use silver rupees than paper rupees. The one-rupee note was introduced as a war measure. Generally speaking, no solvent country, so far as we know, issues a note of such a small denomination as one rupee, and we think that if, as appears to be the case, a saving would accrue from the discontinuance of the one rupee note, the issue of these notes should be abandoned."

2. The Government of India do not wish to trouble the Chamber on the subject of the relative cost of one-rupee notes as compared with silver rupees. The calculations, quoted by the Retrenchment Committee were admittedly of a hypothetical nature, and the Government of India will themselves consider this aspect of the question in the light of all the information that is available and after consideration of the report of the special officer who has been deputed to England to study the question of reduction in cost of note forms and the possibility of manufacturing or printing them in this country. There are moreover other factors which enter into the question of cost which have to be taken into consideration ; for example, a reduction in the number of note forms will appreciably reduce the cost of handling notes at the Currency Offices and will

thus reduce the cost of Currency establishments. On the other hand, the substitution of silver rupees for notes will lead to an appreciable increase in the remittance charges which are borne by Government; for example, in the last two years the greater part of the finance of the jute crop in Bengal has been met by notes of the ten-rupee and one-rupee denominations which have been sent out to the jute districts. If the one-rupee note were discontinued, some portion of the remittance would undoubtedly have to be in the form of silver which is naturally much more expensive. Another factor which has to be taken into consideration is the extent to which the one-rupee notes in their booklet form, which is slightly more expensive than the single notes, have replaced notes of higher denominations. The question of relative cost, therefore, will involve very careful and detailed examination.

3. The point on which I am to invite an expression of opinion of your Chamber is the value which, in the opinion of your Chamber, is attached by commercial men and the public generally to the provision of paper currency of such a small denomination as one rupee. It is obvious that the question of the discontinuance of the one-rupee note cannot be decided on the question of cost alone. The Indian Retrenchment Committee, it will be observed, objected to the one-rupee note on grounds of principle also and the question of principle is undoubtedly an important one. On the other hand, in a matter such as this the convenience of the public requires to be fully considered. The notes in the booklet form are popular and they have in fact been unable fully to meet the demand. There is the further point that the one-rupee note in the past was found useful as a substitute for silver when the price of silver was high and silver was difficult to obtain. It may therefore be regarded as a useful reserve should similar circumstances arise again; and the use of these notes, which is now more or less firmly established throughout the country, might be difficult to restore in time of emergency. I am to invite the opinion of your Chamber on these general aspects of the question.

No. T. 442 of 5th May 1923.

From Chamber to the Government of India, Finance Department.

With reference to your letter No. 708-F dated 24th April 1923 I am directed by my Committee to say that they have nothing to add to their letter No. 410 dated 26th April addressed to your department on the subject of the discontinuance of the one-rupee note.

(B) FINANCE.

APPENDIX 23.

ALLIANCE BANK OF SIMLA.

Telegram from Chamber to the Government of India, Finance Department.

Dated 19th May 1923.

Deputy Controller of Currency Bombay on 27th ultimo sent to press notice from joint General Managers of Alliance Bank Simla intimating suspension of business by said bank. Notice stated that Imperial Bank of India would pay the creditors of Alliance Bank fifty percent of their deposits. Such meagre information required to be followed up but Government so far have not taken public into their confidence by issue of press communique. Committee Indian Merchants Chamber therefore seek enlightenment on following points; firstly predecessors of Imperial Bank of India namely Bank of Bengal, Bank of Madras and Bank of Bombay have been known to refuse accomodation let alone guarantee to other banks

in the past under similar emergencies. Has there been any change in Imperial Bank Act 1920 providing for change of action whereby it could offer guarantee of the kind as it has given in case of Alliance Bank. If this is merely matter of policy are we to take it that this policy would also be adopted with reference to other Banks placed in similar situation in future? This arrangement of guarantee is great departure and Committee will welcome details with regard thereto. Secondly were Central Board of Governors of Imperial Bank consulted in this matter and did they favour this arrangement, unanimously? If not unanimously what was the majority? Thirdly Chamber would like to know if and when proposal to help came before Government? Who has made valuation of assets of Alliance Bank and as on what date? If valuation was made some months back have not conditions so greatly altered that drastic revision has now become absolutely necessary? Committee feel sure that Government and authorities of Imperial Bank have not acted without solid grounds and securities of guarantees but additional information would allay public anxiety in various directions. Fourthly whether Government are aware that in or about August 1922 Imperial Bank advanced very large sum to Alliance Bank on security of its immovable, properties valued at about Rs. 1 crore and whether such lending was not in direct contravention of Imperial Bank of India Act 1920. Further is there any truth in report given credence to by public that this was done at the instance and with approval of Government of India? Fifthly is it a fact as alleged that some of former directors of the Bank have been guilty of misfeasance? In view of very active interest taken by Government in affairs of Alliance Bank Committee would like to know what steps Government contemplate taking for securing due exposure of frauds and getting those criminally responsible punished? Committee strongly feel that nothing but the association as coliquidator of an Indian commanding public confidence can lead to this result which is necessary in the interest of general business morality of the country."

No. 407-A of 22nd May, 1923.

From the Government of India, Finance Department to Chamber.

I am directed to reply to your telegram of the 19th instant referring to the press notice issued by the Joint General Managers of the Alliance Bank of Simla intimating the suspension of business by the bank and the conditional arrangements made with the Imperial Bank of India for payment of 50 per cent of their deposit to the creditors of the Alliance Bank. Your Committee asks for specific information on five points which I deal with seriatim below.

2. The first point stated by your Committee is as follows:—"The predecessors of the Imperial Bank of India, namely, the Bank of Bengal, the Bank of Bombay, and the Bank of Madras, have been known to refuse accommodation, let alone guarantee, for banks in the past under similar emergencies Has there been any change in the Imperial Bank Act of 1920 providing for change of action whereby it could offer a guarantee such as it has given in the case of the Alliance Bank? If this is merely a matter of policy, are we to take it that this policy would also be adopted with reference to other banks placed in a similar situation in future? This arrangement of guarantee is a great departure, and our Committee would welcome details with regard thereto". With regard to this question, the Government of India would observe that the three separate Presidency Banks prior to their amalgamation were in a somewhat different position from the Imperial Bank. The amalgamation of these three institutions into a powerful central bank has naturally increased its duties and responsibilities. The action of the Imperial Bank appears to the Government of India to have been taken with the object of preventing unnecessary financial disturbance being caused by the failure of the Alliance Bank and to have been in the interests both of the creditors of that Bank and of the general financial stability of the country. It is understood that the responsible authorities of the Imperial Bank were satisfied that the available assets of the Alliance Bank of Simla were sufficient, if

the liquidation were properly conducted, to yield a dividend of at least 50 per cent to the creditors, and this being so, their action in assuming responsibility for the early payment of this amount appears to have been a public-spirited one which is justified by the Imperial Bank's position as a central bank.

3. As regards the second question whether the Central Board of the Governors of the Imperial Bank were consulted in this matter and whether they favoured this arrangement unanimously, the Government of India consider that this is a question concerning the internal administration of the Imperial Bank which should properly be addressed to the Imperial Bank itself.

4. Your third question is that the Committee would like to know if and when the proposal to help came before Government, who made the valuation of the assets of the Alliance Bank, and as on what date. Regarding this question, the Government of India understand that the facts and figures relating to the position of the Alliance Bank were placed before the Imperial Bank from time to time for some months before the suspension of the former, and that at the time of suspension of payment by the Alliance Bank, the Imperial Bank on the information then in its possession was satisfied that the payment of 50 per cent of their deposits to the creditors of the Alliance Bank was justified.

5. Your fourth question is whether the Government are aware that in or about August 1922 the Imperial Bank advanced a very large sum to the Alliance Bank on the security of immovable properties valued at Rs. 1 crore, and whether such lending is not in direct contravention of the Imperial Bank Act of 1920; further, whether there is any truth in the report given credence to by the public that this was done at the instance and with the approval of the Government of India. With regard to this question, the Government of India were aware last autumn that the Imperial Bank of India and the Alliance Bank were in negotiations for a loan from the former Bank, but the details of this transaction were entirely a matter of banking arrangement between the two banks concerned.

The Government of India are in possession of information which shows that the loans made by the Imperial Bank to the Alliance Bank were based upon security authorised by Schedule I, Part I, (a) (i) to (v) of the Imperial Bank of India Act, and the deposit of the title deeds of the bank's property was as collateral security to this loan. Further, the Government of India understand that the advances were given subject to the sanction of the Central Board of the Imperial Bank and subject to the satisfaction of the Bank's solicitors that the securities could be legally assigned in accordance with the Imperial Bank of India Act.

6. The fifth question which is asked by your Committee is whether it is a fact, as alleged, that some of the former directors of the Alliance Bank had been guilty of misfeasance. Your Committee would like to know what steps Government contemplate taking for securing due exposure of frauds and getting those criminally responsible punished. Your Committee strongly feel that nothing but the association as co-liquidator of an Indian commanding public confidence can lead to this result, which is necessary in the interest of the general business morality of the country. With regard to this question, which the Government of India recognise as of great importance, it will be the duty of the liquidators of the Bank to bring to notice any facts which may be disclosed in the course of liquidation, which would appear to justify a criminal prosecution, and this is provided for in section 237 of the Indian Companies Act, whether a liquidation is voluntary or under the orders of a Court. And, quite apart from the procedure contemplated by the Indian Companies Act, the Government of India would not hesitate to institute criminal proceedings in the event of the information disclosed justifying it. With regard to the appointment of an additional liquidator, the question of the confirmation of the present arrangements for liquidation is a matter which mainly concerns the creditors of the Alliance Bank who will be able to decide what is in their own best interests at the creditors' meeting which will be held on the 1st June. In view of the section of the Act above referred to, the Government of India see no reason to suppose that the

arrangements for liquidation made at the shareholders' meeting of the 9th May afford inadequate means for the discovery of any offence in relation to the Company for which any directors or member thereof may have been criminally responsible.

Telegram from Chamber to the Government of India, Finance Department.

Dated 26th May 1923.

"In continuation of telegram of Committee Indian Merchants Chamber dated nineteenth instant and with reference your letter number 407-A dated twentysecond instant Committee have seen and would respectfully draw Government's attention to growth of strong feelings amongst public especially as it is believed that since Sir David Yules speech at last annual general meeting more Indian money has been put in Alliance Bank and percentage of Indian Deposits has increased. Hence the request for association of an Indian in the work of liquidation. The very opposition to such modest and legitimate requirement would, my Committee fear, lead quite unnecessarily to the importation of reproaches jeopardising cordial relations between different sections which should exist in issues of such magnitude and delicacy. Committee hope Government will not hesitate to use in time their interest in this matter for preventing all avoidable complications and bitterness. Fazulbhoy Currimbhoy, President."

No. 431-A of 29th May 1923.

From the Government of India, Finance Department to Chamber.

With reference to your telegram of the 26th instant in which your Committee hope that Government will use their interest to obtain the association of an Indian in the work of liquidation of the Alliance Bank of Simla, I am directed to say that Government fully recognise the importance of the Indian interests involved, but as the

procedure for selection of liquidators is laid down by law and the selection rests with the shareholders and creditors of the Bank, who are the parties directly interested, they do not feel that they are in a position to interfere. The general attitude of Government in this matter was explained to your Committee in my letter of the 22nd instant.

No. T. 555 of 1st June 1923.

From Chamber to the Government of India, Finance Department.

I beg to acknowledge receipt of your letter No. 407-A, dated the 22nd May 1923, and to state in reply that my Committee welcome the change of policy referred to in paragraph 2 of your letter and trust that under similar circumstances, the same protection and relief will be extended to a purely Indian institution.

As to paragraph 3 of your letter my Committee have approached the Central Board of Governors of the Imperial Bank with a request that they would be pleased to supply the information required by them.

No. T. 529 of 28th May 1923.

From Chamber to the Managing Governor, Imperial Bank of India.

The Committee of this Chamber in their telegram of the 19th instant No. T. 493, a copy of which is enclosed herewith, asked the Government of India, Finance Department, whether the Central Board of Governors of the Imperial Bank were consulted in the matter of promising to pay the creditors of Alliance Bank of Simla 50 percent of their deposits and whether they favoured this arrangement unanimously and if not unanimously what was the majority. In reply to this telegram the Government have written to say that

as regards the second question whether the Central Board of Governors of the Imperial Bank were consulted in this matter and whether they favoured this arrangement unanimously, the Government of India consider that this is a question concerning the internal administration of the Imperial Bank which should properly be addressed to the Imperial Bank itself.

I am, therefore, directed by my Committee to address you with a request that you will be pleased to inform my Committee as soon as possible, if possible by to morrow when my Committee have a meeting to consider this question, whether the Central Board of Governors of the Imperial Bank were consulted in this matter and whether they favoured this arrangement unanimously.

No. 2009 of 29th May 1923.

From Managing Governor, Imperial Bank of India, to Chamber.

I have the honour to acknowledge receipt of your leteer No. 529 dated 28th inst. enquiring whether the Central Board of Governors of the Imperial Bank were consulted in the matter of promising to pay the creditors of the Alliance Bank of Simla Ld. 50% of their deposits and whether they favoured this arrangement unanimously and in reply I regret I am precluded, like every other Officer and Governor of the Bank, from discussing with you the internal affairs of the Bank as we are pledged under Bye Law No. 25 not to reveal any matters which come to our knowledge in the discharge of our duties. I think, however, I am at liberty to say that everything that was done in this connection was done in accordance with the Act and Bye Laws of the Bank.

For your information I enclose herewith copies of the Bank's Act and Bye Laws.

No. T. 562 of 1st June 1923.

From Chamber to the Central Board of Governors, the Imperial Bank of India, Bombay.

In reply to a letter of my Committee No. T. 529, dated the 28th May 1923, to the Managing Governor of the Imperial Bank of India enquiring whether the Central Board of Governors of the Imperial Bank of India were consulted in the matter of promising to pay the creditors of the Alliance Bank of Simla, Limited, 50 percent of their deposits and whether they favoured this arrangement unanimously he regretted that he was precluded under Bye-law No. 25 from discussing with us the internal affairs of the Bank. My Committee now request you to be pleased to give him the necessary permission under your bye-law No. 25 to supply the above information.

No. 2671 of 9th July 1923.

From Managing Governor, Imperial Bank of India, to Chamber.

I have to inform you that your letter No. T. 562 of the 1st ultimo was submitted to a Meeting of the Central Board of Governors of this Bank held here to-day and I am instructed by them to inform you that they regret they cannot accede to the request contained in the letter.

No. T. 759 of 16th July, 1923.

From Chamber to the Government of India, Finance Department.

I am directed by my Committee to address you as follows:—

Your communication No. 407-A, dated 22nd May 1923 in reply to certain queries made by my Committee with regard to the action of the Imperial Bank had given information after which they did not propose to write any further in the matter till subsequent deve-

lopment as is indicated by their subsequent silence but they were startled at the revelation made in the affidavit of the Managing Governor of the Imperial Bank of India which gave an altogether different version of the event which took place prior to and subsequent to the failure of the Alliance Bank. In this affidavit Sir Robert Aitken stated that he was advised that the arrangement for the payment by the Imperial Bank of 50 percent of the claims on the Alliance Bank of Simla was legal and within the powers of the Imperial Bank. Further that on 27th April 1923 he and Sir Bernard Hunter were requested by Mr. A. C. McWatters, Secretary to the Government of India, Finance Department, at an interview held in Bombay to advance 50 percent of the claims of the creditors of the Alliance Bank to be paid to the said creditors upon the terms that in the event of the Imperial Bank failing to recover the amount of such payments from the liquidators of the Alliance Bank of Simla the Government of India would make good the same. And that thereafter letters were received from the Government of India authorising the Governors of the Imperial Bank of India to repay 50 percent of the amounts standing at the credit of depositors in the Alliance Bank of Simla, the Government guaranteeing to make good to the Imperial Bank any loss incurred by the Imperial Bank in making such payments, and further authorising the Imperial Bank to hold as security for such payments so much of the Government balance as might be necessary to meet the outstandings due to the Bank in this respect.

On the other hand, in the letter of the Government under reference my Committee find not only no mention that the Government were at the back of this transaction but an attempt to convey an impression altogether to the contrary. What reasons led the Government to take this course in their relation with an important public body like this Chamber and whether any serious reasons of State existed for this method of procedure my Committee would very much like to be enlightened upon. I am to convey to the Government the information of my Committee with their regrets that the action of the Government will tend to destroy confidence which the

public felt hitherto in communication with the Government. My Committee feel that great harm has been done to the different interests concerned by the manner in which the Government have contrived to effect this transaction. On this and other relevant matters regarding the action of the Government my Committee propose to take another opportunity of addressing the Government after the Government have replied to this letter. My Committee request the favour of Government's courtesy for a prompt reply to this communication in the same manner in which the Government replied to the telegram dated the 19th May in the first instance.

No. 1134-F dated 23rd July, 1923.

From the Government of India, Finance Department to Chamber.

In reply to your letter No. T. 759, dated the 16th instant, on the subject of the previous correspondence with your Chamber regarding the failure of the Alliance Bank of Simla and the action taken by Government and the Imperial Bank in connection therewith, I am directed to say that the Government of India have nothing to add to the full statements made by the Hon'ble Finance Member on this subject both in answer to questions and in debate in the Indian Legislative Assembly.

No. T-1054 of 8th October 1923.

From Chamber to the Government of India, Finance Department.

I am directed by my Committee to acknowledge receipt of your letter No. 1134-F, dated 23rd July 1923. The letter does not state whether there were any special reasons for giving this Chamber, and through this Chamber the public, entirely misleading information with regard to the action taken by the Government in connection with the Alliance Bank—an action which has now been condemned in the country as indicated by the clear and decisive vote of the Legislative Assembly.

Without going over the ground which has been covered in the debate of the Legislative Assembly, my Committee would still like to be entertained on several points. Now that it is clear that the assistance to the Alliance Bank has been given by the Government and not by the Imperial Bank and that the Imperial Bank have acted solely as agents of the Government, my Committee would like to know whether the assets of the Alliance Bank had been valued by the Government before the guarantee in question was given and, if so, when and by whom they were valued. Since the action was taken by the Government the entire procedure in connection with such action is likely to form a precedent and it is desirable that it should be clearly defined as a matter of State policy. In the previous communications from you you informed us that the Imperial Bank was acting from a high sense of public duty in performing the functions of the Central Bank in a manner in which they have not been able to do so before the amalgamation. What is not still clear to my Committee is whether the Imperial Bank will continue to perform these functions of the Central Bank in future always under the guarantee of the Government or without such guarantee, and the form of assistance given on this occasion would be the same in future when the Imperial Bank would merely act as agents of the Government of India and not as a Bank pure and simple.

Apart from the above question on which my Committee seeks enlightenment as to how such things would be handled in the future, my Committee are constrained to remark that in the opinion of a good many people the declaration by the Imperial Bank that they were willing to give fifty percent advance provided arrangements for liquidation were carried out under their surveillance, did create in Calcutta at the time of the creditors' meeting a feeling in the minds of many creditors that the Imperial Bank would withdraw the said facilities if the request for the appointment for an Indian co-liquidator were pressed. It was further stated that the agents of the Imperial Bank were collecting proxies and assisting in the said work which were to be used against the appointment of an Indian co-liquidator. It was also stated that the Imperial Bank took

possession of several branches of the Alliance Bank long before the creditors' meeting came along and that in their new capacity they assisted in the collection of proxies. We are also credibly informed that at the creditors' meeting Sir Bernard Hunter, Managing Governor of the Imperial Bank who were acting as agents of the Government in this case, got up to support the amendment to the main proposition which involved the appointment of an Indian co-liquidator. This action of the Managing Governor necessarily created in the minds of those present an impression that the Imperial Bank who were all the time acting as the agents of the Government of India were opposed to the appointment of an Indian co-liquidator.

They further understand that the Committee of the Bombay creditors felt very apprehensive that the proposal for an Indian liquidator was being prejudiced, and through their attorney they sent a letter to the Imperial Bank in Bombay, who said that they had no objection to an Indian being appointed. This declaration, however, did not come until it was too late. My Committee are raising these questions not with a view to opening up old sores, but solely with a view to point out how the action taken by the Government has led a good many people to believe that the proposal for an Indian to be associated was unduly prejudiced by the action of the Government's agents.

My Committee would now respectfully submit that the Government as the largest creditor always had the power and even now have the power if they so desire to getting an Indian associated with the present liquidators. My Committee would respectfully urge on the Government the desirability of using their power in this direction in order to allay the numerous apprehensions which have been aroused over this question and to appease the Indian sentiment to a certain extent by undoing the harm which the concealment of the Government's share in this event has done at the time of the appointment of the liquidators. This is a very modest request and one which is calculated to lead to the due exposure of any frauds that may have been committed in the affairs of the Alliance Bank and my Committee feel hopeful that the Government will consider it favourably.

No. 1619-F. of 24th November 1923.

From the Government of India, Finance Department to Chamber.

In reply to your post card * dated the 21st November 1923 on the above subject I am directed to invite attention to my acknowledgment No. 1449-F. dated the 17th October 1923 and to state that the Government of India do not propose to send any further communication with reference to your No. T. 1054, dated the 8th October 1923.

APPENDIX 24.

BUDGET OF THE GOVERNMENT OF INDIA.

Telegram from Chamber to the Government of India, Finance Department.

Dated 2nd March 1923.

"Committee Indian Merchants Chamber respectfully protest against proposed doubling salt duty to cover estimated deficit. They consider sufficient retrenchment in expenditure should be possible atleast to avoid additional taxation especially of a kind hitting poorest. For margin they would suggest instead export duty six annas on petrol. They also consider abolition excise duty on cotton goods long overdue. Regarding exchange they are greatly disappointed at waiting policy Government propose to adopt. They consider with sterling shortly going to gold parity it should be possible for this country also to achieve parity and stable exchange. They further consider measures tending to this with object of attaining real gold standard with open gold mint should be taken

* Reminder for Chamber's letter No. T. 1054 of 8th October 1923.

without further delay. Committee note Government proposal to float another big rupee loan twentyfive crores this year and trust it will not be allowed to exceed this figure as Government cannot be ignorant of disastrous effects on supply of necessary funds to industries and commerce that enormous Government borrowings of past few years have had."

No. T-185 of 2nd March, 1923.

From Chamber to the Government of India, Finance Department.

I am directed hereby to confirm the telegram sent by my Committee today to you. My Committee beg to protest most strongly against the proposed doubling of salt duty to cover the deficit estimated in the Budget. They consider that sufficient retrenchment in expenditure should be possible at least to avoid additional taxation especially of a kind hitting the poorest. For a margin they would suggest levying of export duty of six annas on petrol which they had already suggested in their communication dated 9th December 1922 No. T-1309. They also consider that abolition of Excise duty on cotton goods has been long overdue.

My Committee very much regret to see that while recognising the need of stability, the Hon. Member refuses to take the necessary steps on the ground of French occupation of the Ruhr and impending chaos on the Continent, etc. etc. It is not necessary to point out that England has been able in the face of all these to steadily work up to the gold parity and my Committee do not see why India should not be able to do the same if Government gave up aiming at a considerably higher rate than the one that prevailed in pre-war days.

They appreciate the candid admission of the Hon. Member that the attempt to stabilise the Rupee at the new rate of two shillings gold in 1920 was an impossible one and that it had failed. In view of this and in view of the admitted desirability of attaining stability as early as possible, my Committee can but express surprise at the Government's resolve to adopt a waiting policy.

The reason actuating such a policy is the vague hope of something turning up to put the Rupee at one shilling six pence or perhaps even two shillings, because the Hon. Member has been at some pains to show how great a saving such higher exchange would make to our sterling borrowings not of the Imperial Government alone, but of the Municipalities and other public bodies. This, coming from such a high authority on exchange and currency is, to say the least, surprising, because it assumes that the income of all these bodies will remain what they are even when the Rupee is at two shillings. This will, however, not be the case. For instance, to take the instance of the Customs receipts, if they are 45 crores on a total import of 225 crores (£150 million) the average return is 20%. If the Rupee is at two shillings the value of the total imports of £150 million will only be 150 crores of rupees and at the same average return of 20% the total revenue from Customs would be only 30 crores, i. e., there would be a loss on this one head alone of 15 crores. There would similarly be a great falling off in income-tax and in various other heads of revenues and, therefore, it is a mistake to assume that the rise in exchange will be always profitable to the Government. On the other hand it cannot fail to seriously affect our exports and consequently the general prosperity of the country which depends not on what we buy but on what we produce and sell. The industries of the country which have all been capitalised on a Rs. 15 basis today would also be very seriously hit as incomes (computed on the higher valued rupee) would be reduced, while standing charges would remain unchanged. My Committee would therefore most strongly urge upon the Government the advisability of giving up the present waiting attitude and of taking immediate measures so that this country may attain gold parity at the earliest possible moment and that thereby we may be able to enjoy the benefits of that stability which the Hon. Member says is the goal of the Government.

The danger of finding the rupee more valuable as bullion than as currency arises only on the present system of the Gold Exchange standard. My Committee have repeatedly urged the adoption for this country of a full Gold Standard and if this is done we shall for

ever be freed from the danger of the price of silver again upsetting our system.

My Committee beg to protest once more against the proposals to use the reserves behind our Note issue for the purpose of financing the Secretary of State's requirements. So far as my Committee are aware this practice of meeting Government needs by raiding Currency Reserves is unknown in any other country and would be most strongly resented in England. My Committee most respectfully urge that the attainment of a real gold standard with our own gold Mint for the free minting of gold for currency here at as early a date as possible should be the aim of our Currency policy and they most strongly deprecate any depletion of our Gold Reserves on any consideration whatsoever to meet the exigencies of the Secretary of State's finance.

My Committee heartily welcome the change in the method of accounting (pp. 12) which they had themselves advocated last year, by which, figures in each individual head are arrived at after converting sterling into Rupees at 1-4. This procedure certainly gives a far more correct idea of the expenditure incurred under each head and they congratulate the Government on having adopted this procedure.

My Committee note the proposal of the Government to float another big loan of Rs. 25 crores this year and trust that it will not be allowed to exceed this figure as Government cannot be ignorant of the disastrous effects on the supply of necessary funds to industries and commerce that the enormous Government borrowings of the past few years have had.

No. 416-F of 5th March 1923.

From the Government of India, Finance Department to Chamber.

I am directed to acknowledge the receipt of your telegram and letter dated the 2nd March 1923 and to state that the opinions of

the Chamber are noted. The Finance Member will be glad to discuss these and any other matters of financial policy with the Chamber when he visits Bombay next.

No. T-230 of 14th March 1923.

Telegram from Chamber to the Finance Member, Government of India.

"Committee Indian Merchants' Chamber strongly protest against any suggestion for surcharge on Income-tax. Bussiness community passing through unprecedented depression. Trade cannot bear any more charges which if levied will adversely react on Government's own finances.

APPENDIX 25.

INTEREST ON SHORT-TERM INVESTMENTS.

No. T. 1/30 of 9th January 1923.

From Chamber to the Government of India, Finance Department.

My Committee will be much obliged if you will kindly let them know the rate of interest earned on the short-term investments made on behalf of the Gold Standard Reserve, the Paper Currency Reserve and the balance of the Secretary of State in each of the last six months. They also beg to suggest that Government should publish every month in the Gazette of India the rate of interest earned on Gold Standard Reserve and Paper Currency Reserve Fund.

My Committee beg further to request you to supply them with a list of investments held on the 31st December last on account of the Gold Standard Reserve.

No. 118 F. of 25th January 1923.

From the Government of India, Finance Department to Chamber.

I am directed to acknowledge the receipt of your letter No. T. 1/30, dated the 9th January 1923 on the subject of short-term investments by the Secretary of State for India and to state as follows :—

1. Information regarding the rate of interest earned in each of the last six months is being obtained and will be furnished as soon as available.

2. The Government of India do not propose to publish these rates periodically in the Gazette of India. I am to add, however, that the bulk of these investments are in British treasury bills the yield of which is a matter of public knowledge.

3. The detailed accounts of the Gold Standard Reserve have been made up only to the end of September 1922 and a list of the securities held in the reserve on that date will be found in this Department Notification No. 67-F., dated the 15th January 1922 published in the Gazette of India of the 20th instant.

No. 516-F of 21st March 1923.

From the Government of India, Finance Department to Chamber.

In continuation of my letter No. 118-F., dated the 25th January 1923, I am directed to furnish the following information regarding the rate of interest earned on short-term investments made by the Secretary of State in each of the six months from July to December, 1922 :—

1922.	Average rate per cent.
July	... 1·9
August	... 2·2
September	... 2·4
October	... 2·4
November	... 2·4
December	... 2·5

The above figures do not distinguish between investments on behalf of the Currency and the Gold Standard Reserves and the Secretary of State's treasury balances. I am to explain, however, that the three funds are invested in practically similar securities and the investments are in the main interchangeable, being constantly transferred from one to another according to convenience of maturity for treasury purposes.

(C) ECONOMICS.

APPENDIX 26.

INDIA'S REPRESENTATION ON THE IMPERIAL ECONOMIC CONFERENCE.

Dated 3rd April 1923.

Telegram from Chamber to the Government of India, Finance Department.

"Committee Indian Merchants' Chamber respectfully urge that on the forthcoming Imperial Economic Conference the representatives of India should not be mainly official

but should have at least half the number of capable unofficial Indians and trust that Government will be pleased to depute at least one representative of this Chamber among them. Fazulbhoy, Chairman."

No. 1941 of 5th April 1923.

From the Government of India, Department of Commerce to Chamber.

Representation of India at the forthcoming Imperial Economic Conference.

I am directed to acknowledge the receipt of your telegram dated the 3rd April 1923 to the address of the Finance Department on the above subject.

Dated 1st September 1923.

Telegram from Chamber to the Government of India, Department of Commerce.

"Committee Indian Merchants' Chamber have read with great regret of appointment of exclusively official delegation to Imperial Economic Conference. They are sorry that Government have not still recognised principle of associating non-official businessmen with work which they profess to do in the name of India. Inchambu."

No. 4545 of 5th September 1923.

From the Government of India, Department of Commerce to Chamber.

I am directed to acknowledge the receipt of your telegram dated the 1st instant, and to say that the Imperial Economic Conference is a Conference of delegates of Governments of the Empire.

No. T. 1013 of 25th September 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed to acknowledge receipt of your letter of the 5th instant, No. 4545. The Government of India cannot be unaware of the regular educative propaganda that has been carried on by the Association of British Chambers of Commerce with regard to the agenda of the forthcoming Imperial Economic Conference. All the British Chambers of Commerce have been considering questions like Imperial Preference and others likely to be items on the agenda. My Committee will be much obliged if the Government of India will be pleased to inform them as to whether the British Chambers of Commerce in the United Kingdom were supplied with any provisional agenda of the Imperial Economic Conference. They would also like to know if the Government of India had received the agenda. There was a news item in the papers some time back that the views of the Government of India with regard to the agenda for the Economic Conference have been sent to the Secretary of State. My Committee would like to know if there is any truth in this statement and if so, what was the basis on which views of the Government of India were framed. They have been obliged to ask this question as upto this time they have not received any reference with regard to the agenda. Has any other Chamber or commercial association been supplied with this agenda? It is hoped that my Committee will be supplied with information with regard to all the points in this letter at an early date.

No. T. 1149 of 3rd November 1923.

D. O. letter from the Secretary of the Chamber to Mr. G. L. Corbett, Department of Commerce, Government of India.

In connection with my personal interview with you the other day with regard to the Agenda for the Imperial Economic Conference,

I am sending to you herewith the issues of the Liverpool monthly journal and the London Chamber of Commerce journal for July 1923 and 29th June 1923, respectively. It will be found from the portions I have marked on page 136 of the monthly journal of Liverpool Chamber of Commerce and page 335 of the London Chamber of Commerce journal that the British Chambers of Commerce were practically given on opportunity to consider the agenda of the Conference. It is hoped that necessary action will be taken in the matter by the Government of India and that my Committee will be informed of the action taken, if any.

D. O. No. 6454 of 22nd November 1923.

From Mr. G. L. Corbett, Department of Commerce, Government of India to the Secretary of the Chamber.

Many thanks for your letter No. T. 1149 dated the 3rd November 1923, and the copies of the Liverpool Monthly Journal for July and of the London Chamber of Commerce Journal for the 29th June. When I was at Bombay, I showed you all the official information regarding the agenda of the Conference, which we received. I have now had search made in our file of newspaper cuttings on the subject. I find that the provisional list of subjects shown in the Liverpool Monthly Journal for July were cabled out by Reuter last April, and appeared in the Indian press. Your Chamber thus had the same opportunity as the British Chambers had to study these questions, and to make any representations you wished to the Government of India. So far as I can ascertain, the first full provisional agenda appeared in the Financial Times of the 9th October *i. e.*, after the Conference had begun. I send you a copy for your information. I do not know how the Financial Times obtained it.

2. It is evident from the paragraph in the Liverpool Monthly Journal for July that the Board of Trade appointed an advisory Committee consisting of four representative business men. We have no official information about the functions of this Committee, but

from paragraphs which have appeared in the English papers, it appears that the members were selected by the Board of Trade to assist them in framing the agenda. His Majesty's Government, of course, having initiated the Conference were responsible for the agenda. As you are probably aware, they were receiving large numbers of suggestions from British commercial bodies, the press and other sources, and it was natural that they should select a few representative business men to assist them in sifting out those suggestions. If Indian commercial bodies had wished to include any subject in the agenda, it was open to them to make similar suggestions to us, for communication to His Majesty's Government, but no such suggestions were in fact received. The case for a similar advisory body in India thus did not arise.

APPENDIX 27.

INDIAN ECONOMIC CONFERENCE, BOMBAY.

Dated 16th October 1923.

Letter from the Hon. Secretaries, Indian Economic Conference, Bombay to Chamber.

The Sixth Annual Conference of the Indian Economic Association will be held at Bombay in January 1924, under the Presidentship of the Hon. Prof. V. G. Kale, member of the Tariff Board. At the previous Conferences held at Madras, Allahabad, Patna, and Lahore, all prominent citizens of the places including the Governors of the Provinces joined to make the Conference successful. To make the Bombay Conference a success worthy of our great City, the co-operation of our leading associations, merchants, industrialists and economists is essential. We are sure your association will realise the desirability of associating itself with the work of the Conference and we request you to join the Reception Committee which is being

formed to make all arrangements for the organisation of the Conference. Your presence in the Reception Committee will be a source of strength to us and we hope you will accede to our request.

We further request that your association will be kind enough to make a generous donation to the funds that are being collected to enable suitable arrangements to be made. Donations may kindly be sent to the Secretaries at the Sydenham College of Commerce and Economics, Bombay, or to the Central Cooperative Bank, Apollo Street, Bombay.

No. T-1148 of 3rd November 1923.

From Chamber to the Hon. Secretaries, Indian Economic Conference, Bombay.

With reference to your letter dated the 16th instant I am directed by my Committee to enclose herewith a cheque for Rs. 100 being this Chamber's donation to the funds for holding the Sixth Annual Conference of the Indian Economic Association.

I am further directed to state that Mr. Devidas Madhavji Thakersey, President of the Chamber and the Hon'ble Mr.P.C. Sethna, Vice-President will join the Reception Committee.

(C) GOVERNMENT STORES PURCHASE POLICY

APPENDIX 28.

PURCHASE OF GOVERNMENT STORES.

No. T. 440 of 5th May 1923.

From Chamber to the Government of India, Department of Industries and Labour.

I am directed by my Committee to address you as follows :—

My Committee have felt for a long time serious dissatisfaction over the system of stores purchases adopted by the Government of

India. This dissatisfaction has found from time to time expression in various communications which have been addressed by them to you, in particular those dated the 20th September No. T. 1412 and 16th December No. T. 1568 of 1921.

My Committee may be permitted to observe in this connection that the demand of Indian public opinion that the patronage arising from the purchases of Government should be available for Indian Industries to the best extent possible has been a very old one. In recognition of this demand as early as the time of Lord Curzon's administration certain rules were formed. At each stage of this examination by a responsible Committee the arrangements existing at the time had been found to be defective and certain alterations were suggested. Notwithstanding all these alterations the system existing at the present moment is still very unsatisfactory. This matter came under review by the Indian Industrial Commission who were generally of the opinion that the existing arrangements were not conducive to the promotion of Indian Industries. As arising out of their recommendation a Stores Committee was appointed, but to the surprise of the Indian Commercial Community the findings of the majority report were ignored and the minority report which was practically departmental was given effect to.

It is regrettable that even the Minority recommendations have not been fully carried out. The efforts of the department, which is now being organized for two years, have led to no purchases being made in India except very recently in the direction of textiles. One of the functions of the Indian Stores Department was to ascertain to what extent indents placed by any of the Government departments were capable of being satisfied in India either from stuff manufactured in India or from stuff which could be delivered in this country through the efforts of Indian or British firms of merchants established in this country. From such particulars as this Chamber has received it is evident that even in the matter of very small orders for things of every day requirements stocked in large quantities in this country or manufactured in this country, indents are being sent

to the High Commissioner without any adequate opportunity being given to local parties.

The study of the various half yearly statements showing cases in which the lowest tender has not been accepted by the Indian Stores Department, London, leads to prove that even the existing Indian Stores Rules are not followed. It it noticed from the statements that articles like (1) Fishbolt and Nuts (2) Dogspikes (3) Lamp and Buntings (4) Wrought Iron Tubes (5) Rubber Hose (6) Files (7) Boiler Tubes Zinc Sheets (8) Galvanized wire (9) Stone Ware pipes (10) Belting (11) Cement (12) Hinges (13) Hexagonal Nuts (14) Expanders (16) Cotton Beltings etc. are being purchased in London. It is surely surprising that Hex. Nuts worth Rs. 700, Paints worth 1,000, Dogspikes worth Rs. 4,000, Cotton Belting worth Rs. 300, Wire ropes worth Rs. 400, Screws worth Rs. 1,000 and Rubber Hose worth Rs. 600 should have been purchased six thousand miles away from our country inspite of the fact that Bombay, Calcutta, Karachi and other markets are said to have large stocks of these.

At the time of several interviews with members or secretaries in charge of the department of Industries my Committee have ventilated their grievances and have been given various assurances. The assurances were two fold viz. that every opportunity would be given to Indian dealers in foreign articles to come into the field and that attempts would also be made to purchase stores for India in the cheapest market in the world. My Committee have received communications from your Department intimating the method of purchase by the High Commissioner in the United Kingdom, and while attempts have been made in the communications to indicate that the advantage of the cheapest market is being secured for India, my Committee are not satisfied that it is really the case. This has been illustrated by the latest reply of Earl Winterton in the House of Commons reported by Reuter's Telegram of 19th March as under :—

> "In the House of Commons today, replying to Sir John Hewett, Lord Winterton stated that since 1st April 1922

£ 6,867,000 sterling worth of materials had been ordered for company managed Railways in India of which £ 6,665,000 came from Bombay."

This topic again came up before the Government of India in connection with the motion of the late Sir Vithaldas D. Thackersey which led to the appointment of the Railway Industries Committee. My Committee regret that the report of this Committee has proved a disappointing document. This Committee was appointed to consider and report as to what steps should be taken by the Government of India to encourage the establishment of the necessary industries, so that as large an amount as possible of the Rs. 150 crores proposed to be set aside for the rehabilitation of the Railways during the next five years be spent in India and further to advise the Government of India in regard to the revising of the Indian Stores Rules. The report has failed to rise to the occasion and the only valuable portion of the same is the able and far-seeing minute of Sir Campbell Rhodes, action on lines mentioned in which is being urged by my Committee since a long time past.

My Committee take this opportunity of requesting the earnest attention of Government to the following suggestions which they are making with a full sense of responsibility from a conviction that any other measures will not succeed in achieving the objects in view.

(1) In future tenders should be called in India and in Rupee currency for all goods required by any of the public departments including Railways.

(2) These tenders should be advertised in Indian news papers as well as in England and other likely centres and ample time and opportunity should be given to Indian manufacturers as well as agents of foreign manufacturers to put in the tenders.

(3) That the Indian Stores Department should be strengthened with a view to carrying out these duties and that a corresponding reduction should be made in the establishment of the High Commissioner in England.

(4) That the Indian Stores Department should in the first instance have precise information through the Chambers of Commerce and in other ways as to the articles which are manufactured in this country and the articles of which foreign manufacturers have representatives in this country.

(5) That the step-motherly attitude at present towards supplies which can be secured in India, either of locally manufactured goods, or imported goods, should give place to an atmosphere of encouragement by declaration that it is the Government's intention ultimately as soon as the organization is completed to secure all requirements in this country alone.

(6) That the Government should attach an honorary Committee of two representatives, one from the Indian Merchants' Chamber and one from the Bengal Chamber of Commerce to advise and assist the Indian Stores Department towards the realisation of this object.

My Committee have thought out these recommendations very carefully and have put them forward as the only means of securing the realisation of these hopes which have been aroused from definite promises given by the Government from time to time. My Committee feel that there is no means of making economical purchases for India except by this method and the savings which are likely to be effected by the adoption of this system would be very considerable apart from the encouragement it would give to the local manufacture.

My Committee feel that the immense business that the Government purchases offer will, if orders are invited in India, induce the best foreign manufacturers to have their own representation in this country both technical and commercial and will incidentally prove very helpful to the development of many small industries in this country that will thus have brought to their door the technical advice and assistance necessary to the inauguration of such industries which otherwise it may not be possible to obtain without going all the way to Europe and incurring great expense.

The calling of orders in this country will also have the great advantage of showing the Indian merchants and industrialists the size of the demand of various articles on the part of the Government and the Railways and indicate to them the data for finding out whether they could be profitably manufactured in this country and lead to the development of such industries in the country, which the Government always claim to have at heart. It would further satisfy the legitimate expectation of industrialists in India and the patronage arising from purchases on behalf of Government paid for out of the revenues and taxes collected from the country, should in the first instance, feed the nascent efforts of the people themselves and the demands of the Government should as far as possible be satisfied from enterprises situated locally which would directly contribute to the revenues of the country and indirectly to the larger employment of the people and prosperity of the country generally.

No. S-183 of 27th June 1923.

From the Government of India, Department of Industries and Labour to Chamber.

Subject.—Purchase of stores for the use of the public service in India.

I am directed to refer to your letter No. T-440, dated the 5th April and received on the 8th May 1923, in which you give expression to the views entertained by the Committee of the Indian Merchants' Chamber on the subject of the purchase of stores for the use of the public service.

2. The Committee, it appears, are exceedingly dissatisfied with the existing system, and they advocate the adoption of certain measures which in their opinion, will alone suffice to place the matter on an entirely satisfactory basis. Before dealing with their specific proposals, I am to communicate the observations contained in the following paragraphs on the various points alluded to in your letter.

3. The Government of India recognize that the demand on the part of Indian public opinion for the utilisation of the manufactur-

ing resources of the country for the supply of the requirements of the public service is entirely legitimate, and with the object of meeting this demand to an extent compatible with the various considerations bearing on the matter they have, as your letter indicates, at various times subjected the question to consideration, either direcly by themselves or by expert committees, and have altered the rules regulating the purchase of stores so as to give increasing freedom of power to purchase stores of indigenous manufacture in preference to imported stores of like descriptions. That their avowed policy in this respect has not met with the degree of success that may have been expected is undeniable, but the responsibility for this failure does not rest entirely with the Government. It is shared to an appreciable extent by Indian manufacturers themselves, who have not as a general rule succeeded in producing stores and materials of a quality and at a price comparable with those produced by manufacturers in other countries. The main causes which have contributed to the failure on the part of Government to secure the fullest measure of success for the policy which they have laid down are ignorance on the part of individual purchasing officers of the available sources of Indian manufactured supplies and the lack of organisations for inspection both during and after the manufacture of Indian products. In order to remove these obstacles in the way of the attainment of this object, in so far as the requirements of the Central Government are concerned, the Government of India are establishing the Indian Stores Department, whose functions it will be, *inter alia*,

(*a*) to obtain the fullest information in regard to Indian manufacturers and their products and to disseminate this information among all consuming departments of the State, and

(*b*) to undertake the expert inspection in the course, and on completion, of manufacture of all stores, the inspection of which is entrusted to the Department.

The Indian Stores Department, it must be admitted, has so far made but comparatively small progress in the discharge of those

functions, but, as will be explained in a later portion of this letter, this is due to causes which were beyond the control of the Government. In any case, the establishment of the Department is a practical indication of the Government of India's continued adhesion to their expressed policy in respect of the utilisation of Indian manufactures for the supply of the requirements of the Central Government. As your Committee will no doubt readily admit, however, the accomplishment of this policy is not likely to be secured without the fullest cooperation of Indian manufacturers themselves. The Government of India understand, though certain remarks in your letter would seem to connote the existence of a different opinion, that the Committee of the Indian Merchants' Chamber subscribe to the view that purchase on behalf of the State should be made in the cheapest satisfactory market, irrespective of the country of origin, a principle which both Houses of the Central Legislature have pressed Government to follow. If this view is to prevail, then it follows that, in order to secure the patronage of the Government, Indian manufacturing firms must produce their goods at a price and of a quality which do not compare unfavourably with the prices and products of foreign manufacturers. They must, also, and this is a most important factor, arrange to execute their orders with promptitude. Many instances of failure in the past of Indian manufacturers to implement their contractual liabilities in respect to deliveries have been brought to the notice of the Government of India. Your Committee will readily realize that such failures seriously embarrass the Departments of State and in many instances may involve very considerable financial loss.

4. The question of the purchase of imported stores stands on a somewhat different plane. It was mainly on this question that the cleavage occurred in the findings of the majority and minority of the Stores Purchase Committee. As you have voiced the surprise of the Indian commercial community at the acceptance by Government of the views of the minority on this important question, I am to summarise the reasons leading to this decision. I am to explain, in the first instance, that the Stores Rules do not preclude the purchase of imported stores in India. On the contrary they expressly permit

the purchase of this class of stores, provided that certain conditions are fulfilled. A serious obstacle in the way of the purchase of manufactured stores which are imported into the country is the difficulty on the part of Government in satisfying itself that the stores answer in all respects to the specifications which have been laid down, and are suitable for the purposes for which they are required. The Government of India readily admit that the products of certain well known manufacturers may be depended upon to fulfil the recognized trade specifications; but, on the other hand, it would be most unwise on the part of Government, and indeed in some cases fraught with danger, to purchase numerous classes of stores without subjecting them to proper inspection at the time of manufacture, and this, in the very nature of the case, is impossible with regard to imported stores. Apart, however, from this aspect of the matter, it will surely be unbusinesslike on the part of the State to resort to importers in India for its supplies unless it is assured that that is as economical a proceeding as direct importation from abroad. In your letter you specify various articles (most of which, it may be remarked, are not manufactured in India), which you consider it was unnecessary to obtain through the India Store Department in London, but you have omitted to establish the fact that these articles could have been obtained as cheaply from the Indian markets as through the agency of the Stores Department in London. The Government of India have from time to time liberalised the rules in regard to the purchase of imported stores in India, and they are proposing to proceed further in this direction, but they consider that it would be most inadvisable to permit complete freedom of action in this respect until there are clearer indications than exist at present that the local markets are as cheap and as efficient a source of supply as the markets abroad.

5. The Committee of the Indian Merchants' Chamber also express disappointment at the progress that has been made in respect of the establishment of the Indian Stores Department. That Department was, as your Committee is aware, started with effect from the 1st January 1922, and undertook immediately the purchase of textiles

for the Army and certain other departments of Government. During the year 1922-23 it made extensive purchases of such goods amounting in value to about Rs. 160 lakhs. In the course of these operations it has succeeded in diverting to India much business of a class which had formerly gone abroad and has also effected substantial economies in the public expenditure on textile goods. It was not found possible in 1923-23 to entrust the purchase of other stores to the Department, as owing to the financial stringency which existed at the beginning of that year, it was necessary for Government to curtail the provision in the budget estimate for the staff of the Department to the lowest possible limit. Proposals for the expansion of the Department were, however, considered towards the later part of the year but in view of the continuance of the financial pressure the Government of India considered it desirable to subject the whole question to review by the Retrenchment Committee. Your Committee is doubtless aware that the Retrenchment Committee deprecated the further development of the Department until certain conditions which it had postulated had been fulfilled. The Government of India were, however, unable to accept the findings of the Retrenchment Committee, and have decided to proceed with the expansion of the Department as circumstances and the financial position permit. In pursuance of this decision, they have decided to proceed with the organization of the Branch, which will deal with the purchases of Engineering Stores required by Central Departments, and the Indian Stores Department is now proceeding to function in this direction. They have also reconstituted and expanded the inspection and testing organizations at Calcutta and Jamshedpur, which were during the last financial year incorporated in the Stores Department, and concomitantly they have established an inspection branch at the headquarters of the Department, thus enabling it to undertake a larger volume of inspection and testing work than was possible previously. Although the purchasing activities of the Department have had perforce to be restricted, it has already accomplished a mass of valuable preliminary work with a view to prepare the ground for its future development. In particular by its scrutiny of indents sent to the High Commissioner for India it has been able to bring to the notice

of indenting officers suitable sources of supply in India, the utilization of which will substantially reduce the volume of stores obtained from abroad. The instance which you cite in the fourth paragraph of your letter do not by any means indicate that local supply agencies were overlooked. As already observed, your letter does not establish that the articles mentioned could have been obtained in India of the requisite quality at rates which did not compare unfavourably with those at which they were obtainable through the Stores Department in London. With reference to the instance regarding railway materials cited in your letter, I am to remind your Committee that the stores purchase arrangements of company-managed railways are not controlled by the Government of India. That instance does not, therefore, support the general complaint made in your letter.

6. The Government of India desire that it should be clearly understood that the remarks contained in the preceding paragraphs as regards their policy in respect of the purchase of stores, both of indigenous manufacture and of the imported varieties, and as regards the means which they intend to adopt in the furtherance of that policy apply only to supplies required for the use of the Central Departments and of Governments other than major local Governments. Major local Governments have now full power to frame their own policy in this matter, subject only to the condition that in respect of imported stores they must conform to such rules as may be prescribed in that behalf by the Secretary of State for India in Council, and they may make such arrangements as they themselves may regard as suitable to give effect to their policy. Thus, it is not incumbent on them to utilise the Indian Stores Department for their purchase work, but they may establish a central agency of their own, as the Government of the United Provinces have already done.

7. I am to turn now to the specific proposals contained in paragraph 5 of your letter. The substantive and main proposal is that tenders should be called for in India and in rupee currency for all goods required by any of the public departments including railways, and that the Indian Stores Department should be strengthened

with a view to carrying out these duties, a corresponding reduction being made in the establishment of the High Commissioner for India. It will be observed from the remarks in the foregoing paragraphs that the Government of India are not in a position to impose such an arrangement on the Provincial Governments. Nor, as already mentioned, have they power of control over the purchase arrangements of the company-managed railways. The proposal has, therefore, been considered with reference to the needs of the minor local Governments and the Central Departments only. In so far as these are concerned, the proposition which your Committee have put forward involves a principle which, as the Government of India recognise, has many advantages. But there are considerable practical difficulties in giving effect to it at the present time. To permit of such an arrangement being carried out successfully, it is a primary essential that there should be in existence an experienced, expert and properly staffed agency in India. The Indian Stores Department certainly furnishes the nucleus of the kind of agency that would be required for carrying out this work, but it would be impossible to entrust it to that Department unless and until the staff had been augmented very considerably and until it had acquired more experience of the very technical work of purchasing stores than it has been able to acquire in the comparatively short period of its existence. The financial condition of the country precludes at the moment the expansion of the Department to the extent that would be necessary and therefore the Government of India regret that they are unable to accord their support to the Committee's recommendation. They will, however, bear the matter in mind and will reconsider it when conditions are more favourable to its adoption.

8. The remaining proposals are subsidiary to the proposal just discussed and connote its acceptance, but they have a relevancy to the present conditions, and, I am therefore to communicate the following observations in regard to them. Under the existing arrangements all requirements with the supply of which the Indian Stores Department is entrusted, exceeding Rs. 5,000 in value, are advertised in India. A system of calling for simultaneous tenders

from Indian and foreign manufacturers is likely to cause delay in the supply of stores, and ordinarily in cases in which it is probable that a demand can be economically met in India, the Government of India consider that it will suffice to advertise in this country alone, and that advertisements in foreign countries should generally be made only in cases where the financial consideration is an important factor and where there is a doubt of India being able to meet the demand as cheaply and efficiently as is desirable. Your Committee is no doubt aware that the Government of India have recently put into practice the system of calling for simultaneous tenders for wagons and locomotives required for Indian Railways.

9. With regard to the proposal numbered (4), I am to say that the Indian Stores Department is arranging to obtain full information of the available resources of the country in respect of imported articles as well as of manufacturers from all likely sources. The Department is in correspondence with the Indian Engineering Association on the subject of supply to it of complete information in respect of the stores which the firms incorporated in that Association manufacture. It has also invoked the assistance of the Bombay Millowners' Association in some instances, and will be very glad to receive and utilize such information as the Indian Merchants' Chamber, the Chambers of Commerce and other commercial and industrial representative bodies are able and willing to furnish.

10. As regards proposal numbered (5), the Government of India disagree entirely with your Committee that their attitude towards Indian sources of supply can fairly be described in the terms used in your letter. Their policy in respect of the utilization of the resources of India is to encourage a resort to these sources of supply for meeting the requirements of the public service, subject only to the observance of the elementary principles of business dealings. Any departure from these principles in favour of Indian suppliers would be unjust to the general taxpayer and they feel sure that your Committee would be among the last to admit that such a course would conduce to the furtherance of the best interests of the country as a whole.

11. The Government of India and the Chief Controller of Stores will always welcome any advice and assistance that the representatives of the commercial and industrial communities may desire to offer in the successful carrying out of their stores purchase policy; but they regret that they are not convinced that the precise arrangement which forms the subject of the proposal numbered (6) in your letter would suitably serve to secure the object in view. Apart from other considerations, a Committee of the character indicated, if it is to prove of material use and assistance must be sitting continuously at the headquarters of the Indian Stores Department; otherwise serious and intolerable delays, with concomitant loss of money, must occur in the disposal of the bussiness of the Department. But the Government of India do not understand that your Committee has in mind the constitution of such a body, and they regret that they are unable to accept the proposal.

No. T-964 of 6th September 1923.

From Chamber to the Government of India, Department of Industries and Labour.

I am directed to acknowledge your letter No. S-183, dated the 27th June 1923.

1. According to your letter it would seem that the failure of the Government to make larger purchases of Indian manufactures is largely due to the fact that Indian manufacturers themselves have not as a rule succeeded in producing stores and materials of a quality and at a price comparable with those produced by manufacturers of other countries.

2. My Committee are very much afraid that at present things are moving in a vicious circle. Government will not make it a point to buy all their requirements of articles of a class that are and can be manufactured in India itself and without an assurance of the very large custom which Government requirements represent Indian manufacturers cannot venture on the manufacture of a particular class of article on the scale necessary to bring down cost of produc-

tion to the lowest possible figure. Even when they are able to bring down the cost of production to a satisfactory figure the indenting officer will not be very willing to accept the responsibility of deciding that the price was "not unfavourable." My Committee are still strongly of opinion that the only remedy is to call for tenders in all cases *in rupees* in this country and leave both the Indian and the foreign manufacturers to tender on same on equal terms as to price, delivery, exchange, etc.

3. The present practice, if my Committee understand it rightly, is for an indenting officer to compare the local price with the latest Home quotation but is there any guarantee that if the local quotation is rejected and the order sent Home it will be executed at or under such quotation? My Committee will be glad to know whether indenting officers place a price limit on Home indents such limit being the figure taken here for comparison with the local article. If not, comparisons of price are illusory as the indent may ultimately be returned executed at a much higher figure than what may have been taken for comparison here.

4. The next point to be borne in mind is that all such comparisons are liable to be vitiated by fluctuations in exchange. My Committee consider that the least that ought to be done is to have a *rupee* limit placed on all indents sent Home in order to ensure that the ultimate *rupee* cost of the article so indented was at or below the figure originally in view when comparisons were made with the local article.

5. You speak of the ignorance on the part of the individual purchasing officers of the available sources of Indian supplies as one of the difficulties in the way of larger purchases in this country. My committee would point out that a similar ignorance on the part of the Indian industrialists as to the size of Government's requirements of a particular article stand in the way of the manufacture in India of such article being taken up on a sufficiently large scale for the most economic output and can be only remedied by *all* tenders being called for in *this* country irrespective of whether the

article was of Indian or foreign manufacture. Then alone can industrialists visualise the possibilities in each line and plan for manufacture in this country of such articles as can be so manufactured. The present practice of Government keeps the industrialists in this country ignorant of the possibilities of each article from the point of view of consumption, and is, my Committee think, one of the greatest obstacles to the development of indigenous manufacture.

6. As for your point of lack of organisation for inspection, may I be permitted to point out that this point is unnecessarily laboured simply to defend the present practice. Many crores of rupees worth of goods are every year imported here on private account and the quality is arbitrated upon and deliveries satisfactorily completed through the intermediary of the recognised commercial bodies. My Committee hope it is not claimed by Government that every kind of stores imported by it is of such a highly technical character that it is not amenable to inspection and passing by commercial methods. In fact my Committee venture to think that in many articles of every day use the passing of the goods may be safely entrusted to the various mercantile bodies as in the case of commercial imports.

7. My Committee consider that a large number of articles must be standard articles used in large quantities of the same kind, size, etc. from year to year and in the case of such articles commercial methods should prove sufficient. Suppliers can be put on an approved list, and then if the indenting officer finds an article not to his satisfaction he can claim arbitration, and if such arbitration goes against a particular supplier without good reason shown more than once or often, his name could be struck off the list. My Committee consider that rejection by the indenting officer, consequent arbitration and a possible striking off from the list will prove amply sufficient in the case of a great many kinds of imported stores.

8. My Committee do subscribe to the view you speak of in page 3 that when purchases are made *outside* India they should be made in the cheapest market, and they consider that it must be in this sense that the principle was pressed upon Government by both Houses of the Legislature. The difference of opinion that you seem

to have detected in certain remarks in our letter lies in the fact that my Committee would urge preference being given to indigenous manufacture even if it is not the cheapest at the moment provided the difference in price is not very meterial, because otherwise we are again in a vicious circle, *i. e.*, the indigenous manufacturer fails to get a market and so the particular manufacture does not come into existence at all. Any small loss that may seemingly be incurred if the above view is adopted will be more than made up by:—

(1) the improvement in the balance of trade and of exchange that local supplies will lead to; and

(2) the additional revenues Government will draw from such indigenous industries.

Government know very well that this country had to pay through the nose for every article of import during the five years of war and after, and my Committee consider that the loss to this country on its purchases must have been many times the amount it could have possibly saved for some decades by buying in the "cheapest" market.

You say further that the Indian manufacturers must arrange to execute their orders with promptitude and that many instances of the failure on the part of Indian manufacturers had been brought to the notice of Government. My Committee will be glad to know if these instances do not relate to the past few years of great difficulties of production and supply and if Government had no instance of similar failure on the part of non-Indian manufacturers brought to their notice because the experience of the Indian commercial community in respect of their overseas purchases have also been very unfortunate.

9. Again when a time limit is set in a tender sent out locally and Indian suppliers are unable to supply within such time limit and the indent sent Home on that account, my Committee will be glad to know whether the same time limit is placed on the High Commissioner. If it is not, then the placing of such unnecessary time limits can only mean a diversion of orders to foreign manufacturers that could and ought to be avoided.

10. Turning to imported stores, the point you make about inspection at time of manufacture seems also to my Committee to be unnecessarily laboured, as inspection in the process of manufacture cannot be necessary with suppliers of repute, except in the case of a limited and special class of goods which campares very well to our local production. Even in such cases it is inconceivable that every indent is urgent. If it is not then tenders can be called for her and the order for such imported store can be given in India subject to inspection and certificate of quality being obtained either during manufacture or before shipment from the respective inspecting officers under the High Commissioner.

11. Your next remark is that it would be unbusinesslike for the State to resort to importers in India unless it is assured that it is as economical a proceeding as direct importation from abroad. My Committee would point out in reply that the best way for Government to find this out is to try it and they feel that the result would prove that it was equally economical. An experiment might be made by inviting tenders for such supplies both here and at Home, but my Committee would once more emphasize that it must be in rupees and for delivery at the same point here, as they consider that Home purchases probably wrongly look cheap owing to a conventional figure of Exchange and charges (including interest) being used for comparison.

12. You ask my Committee to establish that the particular articles could have been obtained as cheaply through suppliers here. May we respectfully point out that the onus really lies on purchasing officers here to show that they tried to get supply through importing houses here by tender, but had no satisfactory response. According to you Government will wait for clearer indications that local markets are as cheap and efficient a source of supply as markets abroad. May we point out that this very attitude stands in the way of creating such cheap and efficient markets. Let Government once make it clear that it is going to call for all supplies here only and in rupees only and foreign suppliers and manufacturers will see to it in their own interest that this market is provided with a

cheap and efficient supply of what they have to sell, and some of them may ultimately find it advantageous to carry on the entire manufacture of their particular article here to the great advantage of the country if they once felt that the market was here. In fact such manufacturers have already volunteered to start new factories provided Government adopted a policy as indicated above viz., not to pass any orders without inviting local men, no matter whether they are manufacturers or not. The Stores Purchase Committee in their report observed thus :—

> "We incline on the whole to the opinion that in so far as such dealings (purchase of imported stores locally) give prominence to Government requirements, they must conduce towards the inspection of manufacture in India, especially if it is known that Government would prefer to obtain such requirements of local manufacture; this notwithstanding the fact that the interests of the merchants themselves may lie in the opposite direction."

13. It may not be out of place to once more emphasize the great help that Government can thus give to the development of Indian industry without any additional cost to themselves. This help would lie in the fact that the market created here by the certainty of Government orders will ensure a continuous flow of supplies of all such stores into the markets of this country on which our industrialists can draw for their own requirements.

14. As regards company-managed Railways, my Committee do feel that Government as the largest proprietor in each of these so-called private railways, could if they really wished, direct their policy in the purchase of Railway stores even for company-managed Railways on lines that may appear most beneficial to the country. Surely the owners of 5 percent or 10 percent of the capital will not dare to flout the opinion of the other 95 or 90 percent. What you say under this head has merely emphasized and brought into greater relief the necessity of divesting these so-called companies of the power to run the Railways of this country as they please at as early a date as possible.

15. My Committee would, therefore, request Government to reconsider the position and order that,

(1) In future all tenders be called for in *this* country for delivery at a named point in *this* country and in the currency of *this* country;

(2) That where necessary inspection at time of manufacture or before shipment may be made one of the conditions of such tenders;

(3) That indenting officers be warned that "Urgent" orders should be rare exceptions in peace times and that they were expected to know at least six months in advance the quantities they require of all ordinary stores of daily consumption and that they should call for tenders in a way that left reasonable time in the hands of suppliers here to comply with the deliveries.

(4) That the present methods of placing out orders by the India Office be investigated to see whether they do not unduly keep out non-British manufacturers. (My Committee find it difficult to believe that as much as 95 percent of India's orders could have gone to British manufacturers as claimed recently in the House of Commons if it was under really competitive conditions as the under-cutting of British by Continental makers particularly in the Iron and Steel line has been the wail of British trade papers for the past two years except perhaps for a spasmodic spurt during the early days of the Ruhr occupation).

No. S. 183 of 16th October 1923.

From the Government of India, Department of Industries and Labour to Chamber.

I am directed to refer to your letter No. T. 964, dated the 6th September 1923, regarding the stores purchase policy of the Government of India. You conclude with four specific requests which your

Committee commend to the consideration of Government. Your letter to a large extent retraverses the ground covered in your previous letter No. T. 440 of the 5th April 1923, and I am to say that the Government of India have carefully considered the whole matter, and have nothing to add to their letter No. S.-183, dated the 27th June 1923. I am to add that the Hon'ble Member in charge of the Department of Industries and Labour hopes to visit Bombay at an early date and would be glad to have an opportunity of discussing the question further with your Committee.

2. Your fourth request, to the effect that the present methods of placing orders by the India Office be investigated to see whether they do not unduly keep out non-British manufacturers was not, however, dealt with in your previous communication, nor in my reply. In regard to this point, I am to say, in the first place, that orders on Home indents are not placed by the India Office; the India Office has nothing whatever to do with the London Store Department, which is now under the immediate control of the High Commissioner, who in turn is a servant of the Government of India. In the second place, the High Commissioner has, as your Committee is aware, been given specific instructions to place his orders in the cheapest market irrespective of the nationality of the tenderer; and further, as your Committee is also aware, whenever an order is not given to the lowest tenderer, a report of the case and of the reasons therefor is communicated to the Government of India, who in turn communicate it to public commercial bodies, and to all members of the Legislative Assembly. In the circumstances, the Government of India consider that no action need be taken in the direction indicated.

No. T. 1150 of 3rd November, 1923.

From Chamber to the Government of India, Department of Industries and Labour.

With reference to your letter of the 16th October 1923, No. S-183, I am directed to inform you that my Committee are not satis-

fied with the reply. The attention of the Government of India is specially invited to several instances given in the letter of my Committee of the 5th May 1923, No. T. 440, of goods purchased in England though they were available in this country. Such instances are repeated in every half yearly statement issued by the High Commissioner giving particulars of tenders which were not accepted though they were lower than accepted tenders. My Committee are glad to note, however, that the Honourable Member in Charge of the Department of Industries and Labour is coming over shortly to Bombay to discuss all these questions with them.

APPENDIX 29.

THE PURCHASE OF STORES BY THE INDIAN STORES DEPARTMENT, LONDON.

No. S-424 dated 29th September 1922.

From the Government of India, Department of Industries to Chamber.

Subject :—Half-yearly statements showing cases in which the lowest tender has not been accepted by the India Store Department, London.

As your Chamber is no doubt aware, the Government of India in pursuance of a resolution adopted by the Legislative Assembly in September 1921 instructed the High Commissioner for India to furnish them with half-yearly statements showing all cases in which the lowest tenders had not been accepted by the India Store Department, London in purchasing stores for the Government of India. Statements for the half-years ending the 31st December 1921 and 30th June 1922 have been received from the High Commissioner and were laid on the table of the Legislative Assembly on the 6th September and a copy of each is enclosed for the information of your Chamber.

No. T. 58-120 of 15th February 1923.

From Chamber to the Government of India, Department of Industries, Delhi.

The Committee of this Chamber have carefully considered the half-yearly statements for the half-years ending 31st December 1921 and 30th June 1922 detailing cases in which the lowest tender has not been accepted by the India Office Stores Department, London, and I am directed to express their views hereby to you.

My Committee fear that these returns make a very sorry reading. The general grounds advanced for such discrimination as has been exercised by the High Commissioner are : (*a*) quicker delivery, (*b*) greater reliability and (*c*) the lowest tenderer not being on the "King's Roll". In the opinion of my Committee such grounds will tend to persist unless the Government of India assert themselves and really control the purchase of all their requirements.

With regard to (*c*), my Committee would be glad to know what principles, if any, at present govern particular companies being placed on the " King's Roll ".

A further reason is advanced in some cases for the rejection of non-British tenders viz., "to bring it within the allotment of money for the financial year". This, my Committee venture to submit is almost waste of public monies, as it is neither politic nor correct to pay 5 to 10 percent more for an article just in order to have it booked before a grant lapses. My Committee also find it very difficult to understand the urgency of such articles as Pugree cloth or mosquito nettings. Government cannot be unaware of the fact that suitable quality of Pugree cloth has been supplied in millions of yards by Indian cotton mills, and it is unthinkable that orders should be placed for such an article in the United Kingdom. The passing over of Indian textile factories for the purpose of these orders is in direct contravention of the declared Stores Purchase policy of the Government of India as it can hardly be said that suitable Pugree cloth is not made in India or cannot be delivered within a reasonable period of time.

In several instances of railway stores Continental makers appear to be asking for longer delivery. In view of the known equal quality of the German and French manufactures in this respect the only reason for the delay which is alleged to be the reason for a rejection etc., seems to be some special "specification" laid down for articles of this kind. A new maker would naturally want more time to arrange his works or processes for the special specification demanded. But my Committee feel that even a slightly longer delivery is more than counterbalanced by the saving effected on the acceptance of the lower foreign tender. To continue to give order to British suppliers in such cases tends, indeed, to place India constantly at their mercy. Then again, if only requirements are better foreseen and indents placed in good time, the necessity for discrimination on this ground would not arise.

No. S. 424-46 of 27th March 1923.

From the Government of India, Department of Industries to Chamber.

Subject :—Half-yearly statements showing cases in which the lowest tender has not been accepted by the India Store Department, London.

I am directed to invite a reference to your letter No. T. 58-120, dated the 15th February 1923 on the subject noted above.

2. The first criticism which your Committee offers on these lists is that the three grounds, quicker delivery, greater reliability, and the non-inclusion of the lowest tenderer on the King's roll, have guided the High Commissioner in placing his orders for stores. Your letter implies that the High Commissioner has acted wrongly in being guided by the above-mentioned considerations and that the Government of India should put a stop to the practice. The Government of India consider, on the contrary, that purchase without regard to the time of delivery offered by the tenderer and the reliability of the stores offered would be opposed to the most element-

ary business principles, and, whatever may be future of the India Store Department in London, they do not propose to make any departure from such principles.

3. As regards inclusion of firms in the King's Roll, I am to point out that your Chamber has already been furnished with information on this point. I am to invite your attention to paragraph 6 of the letter from the Secretary to the High Commissioner for India No. 521-H. C., dated the 25th January 1922, to the Government of India, a copy of which was sent to you with a letter from this Department No. S. 360, dated the 27th April 1922. It will be observed from the High Commissioner's letter cited above that in practice the question of preferring a firm which is on the King's Roll rarely arises, and that care is taken that no sum of any significance is sacrificed thereby.

4. The Government of India will investigate the practice of accepting a higher tender in order to prevent the lapse of a grant provided for a particular financial year. The matter however involves questions of considerable difficulty entirely apart from the general question of the policy to be followed by the High Commissioner in making purchases of stores. They observe, however, that at any rate in the majority of such cases, the High Commissioner is not a free agent in the matter, but has to be guided by the wishes of the purchasing department in India.

5. The Committee of your Chamber express a difficulty in understanding that the need for such articles as pugree cloth and mosquito netting can be urgent. It is, however, a fact that articles of this nature may be required at short notice, particularly in the case of military requirements. Your letter further criticizes the purchase of pugree cloth from a manufacturer in England and states that the passing over of Indian textile factories in regard to these orders is in direct contravention of the declared Stores purchase policy of the Government of India. Your Committee have possibly overlooked the provisions of Rule 1 of the rules for the supply of articles for the public service, which lays it down

that articles produced in India should by preference be purchased locally, provided that the quality is sufficiently good for the purpose and the price not unfavourable. In the case of the pugree cloth to which you refer, enquiries were first made in India, but the price at which the Indian mills tendered was distinctly unfavourable, and the indent had, therefore, in accordance with the rules, to be passed to the India Store Department in London.

6. Finally, your Committee refer to the question of rejecting tenders from manufacturers on the Continent for railway stores on the ground of the time taken to deliver the goods. They are of the opinion that a slightly longer period required for delivery is more than counter-balanced by the saving effected owing to the acceptance of a lower foreign tender. This view, as a general proposition, the Government of India are unable to accept. The question whether in any particular case it is better to pay a higher price in order to obtain the required stores more quickly can only be decided with reference to the circumstances of each case: and the purpose for which the stores are required, the actual difference in prices and the actual difference in the length of time taken to deliver, affect the decision in each particular case. Delay in the delivery of stores may often involve a loss of revenue to Government.

No. S-424 of 10th September 1923.

From the Government of India, Department of Industries and Labour to Chamber.

Subject:—Half yearly statement of cases in which the lowest tender has not been accepted by the India Store Department, London.

I am directed to forward for the information of your Chamber 4 copies of the statement for the half year ending 30th June 1923 showing all cases in which the lowest tenders have not been accepted by the India Store Department, London, in purchasing stores for the Government of India.

No. T-1182 of 15th November 1923.

From Chamber to the Government of India, Department of Industries and Labour.

With reference to the half-yearly statement of cases in which the lowest tender has not been accepted by the India Store Department, London, sent with your letter of the 10th September 1923, No. S-424, I am directed to send hereby some remarks of my Committee regarding the same. It is hoped that the attention of the Government of India will be directed to these remarks.

(1) Wheels and Axles: The British manufacturer is paid as much as fifty percent more than Skoda Works' (Czecho-Slovakia) tender: Skoda Works are considered one of the biggest and best equipped works in Europe.

(2) Another example of Wheels and Axles gives the same percentage (fifty percent) protection to the British manufacturer.

(3) Even for water bottles, which India (Bombay) manufactured by lacs during the war, an extra twenty percent must be given to keep up the British manufacturer.

(4) One can now understand how the British wagon builder can underbid the Indian wagon builder: he gets a 50 percent bounty on wheels and axles, where the Indian cannot quote at all.

(5) When Indian cement factories have to close down or are working short time, cement is still being imported.

(6) It is amusing to observe that someone has ordered petty things like Electric Horns worth £5. from the High Commissioner: Electric Horns and even those of Lucas make can be picked up at every city in India. But then the Indian distributor might make something out of it which should be saved to the country.

(7) The stock excuse seems to be desire to meet Indenting Department's wishes as to delivery and this desire has been costing us in some cases (punching machine) 25 per cent. Could these departments not send in their indents well in time? Are they all urgent-sudden demands?

(8) Even in the case of cheap tooth brushes (7 annas each-7000) in order to meet Indenting Department's wishes as to delivery India has to pay 7½ percent extra.

(9) It is strange that in these days when it is proved that cement can be and is manufactured in India in any quantity and for any delivery that may be required, we should go to England to buy it.

(D) TARIFFS AND TAXATION.

APPENDIX 30.

REFUND OF DUTIES ON EXPORTS OF GRAIN FROM BOMBAY BY RAIL AND BY SEA.

No. T. 80/159 of 28th February, 1923.

From Chamber to the President, Bombay Municipal Corporation.

I am directed to draw your attention as on previous occasions to the existing procedure under which the production of import bills and identification of marks in respect of applications for refund of duties of exports of grain by rail are insisted upon while those very requirements are dispensed with in respect of exports by sea. It is apparently difficult to send any representation as the question has already been discussed by the corporation four times and decided against the alteration of the procedure which has been in force since the year 1878. It is therefore necessary to inquire into the reasons which led the Corporation repeatedly to retain the old procedure. The question, as the Corporation is already aware, was first raised

as far back as 1900. The main argument which was brought forward against the change of procedure was that the change would act perniciously on the Municipal revenue. The Corporation are aware as pointed out by the Municipal Commissioner in his letter which accompanied the January Agenda of the Corporation (Item no. 70) that a Committee of the Corporation is sitting to recommend to the Corporation non-refundable terminal tax for the present system of town duties. By the new system the Corporation may be expected to get a substantial increase in revenue. My Committee think that in view of the actual relaxation of the rules which the authorities in practice allow in case of export of grain by rail and further in view of the fact that the Municipal Corporation has before them the proposal of the substitution of a non-refundable terminable tax for the present system of Town duty, the remaining distinctions in procedure governing refunds in the case of exports by sea and by land will be abolished. My Committee are aware that if the proposals before the Corporation are accepted these distinctions in the refund of Town duty rule will automatically cease but as the non-refundable terminable tax system which is under the consideration of the Corporation is likely to take some time, my Committee hope that during the interval the Corporation will see its way to bring the Town duties refund rules in case of export by rail on a level with those for the export by sea so as to remove a long-standing grievance of the Indian trading community of Bombay.

No. T. 1389 of 12th December 1923.

From Chamber to the Municipal Commissioner, Bombay.

In my letter No. 89-159 dated the 28th February 1923, addressed to the President, Bombay Municipal Corporation, my Committee requested the Corporation to bring the Town duties refund rules in case of export by rail on a level with those for the export by sea until a non-refundable Terminal Tax was substituted for the present Town duties. My Committee will eel obliged if you will kindly let them know what action has been taken with regard to this suggestion of theirs.

No. M. C. 28-A. of 20-21st December 1923.

From the Municipal Commissioner, Bombay to Chamber.

With reference to your letter No. T. 1389 of 12th December 1923 regarding the difference existing in the Town Duty Refund Rules for the export of grain by rail and by sea I have the honour to state that the question has been referred to a Committee of the Corporation which has under its consideration the proposal for substituting a non-refundable terminal tax for the existing Town Duties. The suggestions of your Chamber and other bodies in regard to that proposal have just been received and will be placed before the Committee at an early date.

APPENDIX 31.

SUBSTITUTION OF A NON-REFUNDABLE TERMINAL TAX FOR THE EXISTING REFUNDABLE TOWN DUTY.

No. M. C. 31 A. of 18th December 1922.

From the Municipal Commissioner, Bombay to Chamber.

I have the honour to state that a Committee appointed by the Corporation has had under its consideration a proposal of the Municipal Commissioner to substitute a non-refundable Terminal Tax for the existing system of refundable Town duties. It is believed that if carefully arranged such a tax would be more acceptable to the mercantile community than the existing system of Town duties, with its trouble some procedure as to refunds. The Committee have approved the proposal in principle and have tentatively drawn up a detailed Schedule of articles proposed to be taxed and the rates at which the tax should be levied in each case. This tentative Schedule is as follows:—

Name of Article.	Taxation.	Per.
Coal and Coke	0 0 6	Bengal Maund.
Fodder	0 0 6	„
Hides and Skins	0 2 0	„
Gunnies	0 2 0	„
Oils all sorts (other than kerosine and petrol)	0 1 0	„
Oil Kerosine	0 8 0	100 gallons.
Petrol	1 0 0	„
Oil seeds	0 0 3	Bengal Maund.
Wrought iron and steel	0 1 6	„
Tea	0 7 0	Bengal Maund.
Sugar, Molasses and Gur	0 0 9	Cwt.
Timber	2½% on value.	
Ghee	0 6 0 1 2 0	Bombay Maund. Bengal Maund.
Wines and Spirits...	0 6 0	Imperial Gallon.
Beer	0 0 6	Do.
Nuts and dry fruits	0 1 0	Bengal Maund.
Spices all sorts	0 0 6	Do.
Grain	0 0 3½	Do.
Flour	0 0 2	Do.
Firewood	0 0 2	Do.

Before proceeding further the Committee has asked me to ascertain the views of the Indian Merchants' Chamber and Bureau. I request that you will be good enough to place the proposal together with the Schedule before the Indian Merchants' Chamber and Bureau and inform me of their opinion at an early date.

I shall be glad if you also will state for the information of the Committee any suggestions which the Indian Merchants' Chamber & Bureau have to make concerning the schedule.

I attach for your information a print of my letter* No. MC-8-B dated the 3rd January 1921 setting forth my original proposals in this connection. It will be seen that these proposals have been considerably modified.

I should be glad to be informed whether the Indian Merchants' Chamber & Bureau would be prepared to appoint two delegates to discuss the details of the Schedule with the Committee of the Corporation.

No. T 80-65 of 22nd January 1923.

From Chamber to the Municipal Commissioner, Bombay.

With reference to your letter No. 31-A of 1922-23, dated the 18th December 1922, regarding the substitution of a non-refundable terminal tax for the existing refundable Town duty, I am directed by my Committee to say that they do not approve on principle of either the imposition of a Town duty or a terminal tax. Such a form of taxation is economically wrong and involves besides a heavy cost of collection. They are, therefore, of opinion that the Bombay Municipality should abolish the tax when it has got other resources to meet the exigencies of revenue. In the meantime, however, and without prejudice to the principle laid down by my Committee above they propose the following alterations and additions to the Schedule:—

Fodder, Grain Flour: These should be free from taxation altogether.

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* Not printed here.

Manganese Ore must also be included with wrought iron and steel.

Coffee and Cocoa must be included with tea.

Timber must be taxed at 1 per cent instead of 2½%.

Ghee must be taxed at 4 annas per Bombay maund and 12 annas per Bengal maund instead of at 6 annas and Rs. 1/2, respectively.

Wines and Spirits must be taxed at 8 annas per Imperial gallon instead of at 6 annas.

Beer must be taxed at 3 annas per Imperial gallon instead of 6 pies.

With regard to the rest of the items occuring in the Schedule my Committee approve of the taxation proposed.

With regard to the last paragraph of your letter, I am directed to inform you that Messrs. Devidas Madhavji Thakersey and Fazul Ibrahim Rahimtoola will represent this Chamber for the purpose of discussing the details of the Schedule with the Committee of the Corporation. Mr. Ramji Bharmal will act as an advisor.

No. Mc 4-A of 20th July 1923.

From the Municipal Commissioner, Bombay to Chamber.

I have the honour to forward herewith copy of extract from the proceedings of a meeting held on the 9th July 1923 of the Committee regarding proposals for improving the sources of income by the substitution of a non-refundable terminal tax for the present town duties and to request that you will be so good as to favour me with any alternative proposals that your Chamber wish to put forward for consideration of the Committee.

A print of the correspondence on the subject is attached hereto for reference.

Extract from the proceedings of a meeting, held on the 9th July 1923, of the Committee regarding improving the sources of Income.

"Considered the question of substituting a non-refundable Terminal Tax for the present Town Duties."

* * * * * *

After discussion it was agreed that the representatives of the Chamber of Commerce, the Indian Merchants' Chamber, the Mill Owners' Association and the Grain Merchants' Association be requested to send their alternative proposals giving the figures of imports, the rates to be charged and the total revenue which may be derived therefrom, including therein such other articles as were not included in the statement approved by the Committee or excluding therefrom any articles which they considerd should be excluded.

It was also agreed that the Commissioner be requested to obtain from the Railways and the Customs Department figures for the imports of cement, manganese and wool.

No. T. 905 of 16th August 1923.

From Chamber to the Municipal Commissioner, Bombay.

With reference to your letter No. Mc. 4-A, dated the 20th July 1923, I beg to enclose herewith a statement showing the articles, on which my Committee propose to levy a terminal tax, with figures of their imports, the rate of duty to be levied and the total amount of duty expected to be realized.

Articles.		Imports from foreign countries; average of 1920-21 & 1921-22.	Imports from coast ports 1921-22.	Imports by Rail & River, average of 1919-20 & 1920-21.	Total Imports.	Rate of Duty Rs.	Per	Amount of Duty. Rs.
Coal & Coke ...	B.Mds.	1,63,03,000	98,37,000	3,03,00,000	5,64,40,000	0-0-6	B. Md.	17,63,750
Hides & Skins ...	„	8,000	2,000	2,55,000	2,65,000	0-2-0	„	33,125
Gunnies	„	Nil.	6,30,000	4,48,000	10,78,000	0-2-0	„	1,34,750
Oils (other than Mineral oils)	„	26,100	4,88,014	2,14,650	7,28,764	0-1-0	„	45,550
Kerosine & other mineral oils excluding petrol	Gals	4,50,00,000	2,49,00,000	1,08,000	7,00,08,000	0-8-0	Gals. 100	3,50,040
Petrol	„	.....	7,56,000	.....	7,56,000	1-0-0	...	7,560
Oil seeds	B.Mds.	1,38,000	16,05,000	1,01,04,000	1,18,47,000	0-0-3	B. Md.	1,85,120
Iron & Steel(Wrought)	„	55,37,000	4,000	4,24,200	59,65,200	0-1-6	„	5,59,560
Manganese Ore ...	„	Not separately shown.	Not separately shown.	15,68,000* (B. B. & C. I. Ry. only).	.....	0-1-6	„	1,47,000

Tea	„	2,000	1,18,000	1,64,000	2,84,000	0-7-0	„	1,24,250
Coffee	„	31,500	18,500	Not available.	50,000	0-7-0	„	21,875
Cocoa...	„	2,260	Not separately shown	„	2,260	0-7-0	...	988
Sagar, Molasses & Gur.	Cwt.	24,52,200	63,300	3,48,500	28,64,000	0-0-9	Cwt.	1,34,250
Timber	Rs.	67,17,000	1,38,13,000	45,32,000	2,50,62,000	1·%	...	2,50,620
Ghee	B.Mds.	5,000	1,20,000	1,75,000	3,00,000	0-12-0	B.Md.	2,25,000
Wines & Spirits ...	Gals.	8,78,000	5,000	7,16,000	15,99.000	0-8 0	Gal.	7,99,500
Beer	„	10,65,000	.....	1,37,000	12,02,000	0-3-0	„	2,25,375
Nuts & Dry fruits ...	B.Mds.	10,64,000	1,04,000	28,000	11,96,000	0-1-0	B.Md	74,750
Spices	„	1,88,000	1,000	4,70,000	6,59,000	0-0-6	„	20,594
Firewood	„	.....	18,48,000	.....	18,48,000	0-0-2	„	19,300
								51,22,947

* Figures of imports by G. I. P. Ry. have not yet been received.

APPENDIX 32.

REVISED TARIFF VALUATIONS OF HIDES AND SKINS.

No. 2703 of 29th March 1923.

From the Director-General, Commercial Intelligence Department, India, Calcutta to Chamber.

As you will have seen, the export duty on hides and skins has been reduced to a flat rate of five per cent and in his speech the Hon'ble the Commerce Member made it clear that concomitantly the tariff valuations would be raised to correspond strictly with market values. I now write to say that revised valuations will be brought into effect on the 1st June 1923, and I attach a statement showing the valuations which it is proposed to bring into effect from that date. If you desire to put forward any criticisms of the rates proposed, I should be glad if you would kindly let me have them at as early a date as possible-before the 15th April at the latest. In order to avoid misapprehension, I would add that these rates are intended to represent averages at the major Indian ports of all the grades under each heading exported from India.

(1) Arsenicated and air dried hides:—

		Rs.	a.	p.	
(*a*) Cows (including calf skins).	Framed ...	0	9	0	per lb.
	Unframed	0	5	0	„
(*b*) Buffaloes (including calf skins).	Framed ...	0	5	0	„
	Unframed	0	3	0	„

(2) Dry salted hides:—

(*a*) Cows (including calf skins).		0	4	0	„

		Rs.	a.	p.	
(*b*)	Buffaloes (including calf skins).	0	2	6	per lb.
(3)	Wet salted hides :—				
(*a*)	Cows (including calf skins).	0	3	0	,,
(*b*)	Buffaloes (including calf skins).	0	2	0	,,
(4)	Goat and kid skins.	1	12	0	per piece.
(5)	Sheep skins.	0	12	0	,, ,,

No. T–361 of 12th April 1923.

From Chamber to the Director-General of Commercial Intelligence Department, India, Calcutta.

With reference to your letter No. 2703 dated the 29th ultimo enclosing a statement showing the revised valuations of hides and skins to be brought into effect from the 1st June, my Committe are informed that the rates of hides and skins have risen since the date on which you must have received the information and that in view of this rise, the average market rates should be rectified as under :—

			Rs.	a.	p.	
(1)	Arsenicated and air dried hides :—					
(*a*)	Cows (including calf skins).	Framed ...	0	12	0	per lb
		Unframed	0	7	0	,,
(*b*)	Buffaloes (including calf skins).	Framed ...	0	6	0	,,
		Unframed	0	3	0	,,
(2)	Dry salted hides :—					
(*a*)	Cows (including calf skins).		0	5	0	,,
(*b*)	Buffaloes (including calf skins)		0	2	6	,,

		Rs.	a.	p.	
Wet salted hides:—					
	(*a*) Cows (including calf skins).	0	4	6	per lb.
	(*b*) Buffaloes (including calf skins)	0	2	6	„
(4)	Goat and kid skins. ...	200	0	0 to 210	0 0 per 100 pieces.
(5)	Sheep skins.	90	0	0 to 120	0 0 per 100 pieces.

APPENDIX 33.*

IMPORT DUTIES LEVIED BY THE GOVERNMENT OF EAST AFRICA ON UNBLEACHED COTTON PIECE-GOODS.

No. 1250 of 26th February 1923.

From the Government of India, Department of Commerce to Chamber.

I would refer to your letter No. T-1177 of November the 8th, regarding the specific import duty imposed by the Administration of Kenya Colony on unbleached cotton piece-goods. Representations were made to the Administration in the sense of your letter and an answer has now been received. It is apparent from this that the imposition of specific duties on this class of cotton goods was in pursuance of the general policy which it was desired to follow of substituting specific for *ad valorem* duties wherever possible or feasible. This was not possible in regard to the more varied class of superior textiles, but did seem possible to the Customs Authorities of East Africa in regard to unbleached cotton goods. The matter was one of a purely administrative nature and not intended to differentiate against any particular class of goods or the products of any particular country.

* For previous correspondence, vide Annual Report of the Chamber for 1922, Pages 477-479.

No. T. 522 of 26th May 1923.

From Chamber to the Collector of Customs, Kenya Colony.

In connection with the recent levy of a specific duty on unbleached piecegoods imported into East Africa, I am directed by my Committee to request you to be good enough to supply to them the following information :—

A detailed statement showing all the sorts of unbleached piecegoods with their respective quantities and values imported into East Africa together with names of respective countries from which such goods are imported during each of the last 3 years.

Accounts No. 11 of 12th June 1923.

From Commissioner of Customs, Colony and Protectorate of Kenya and Uganda Protectorate, Mombasa to Chamber.

In reply to your letter No. T. 522 of the 26-5-23, I herewith enclose statement showing Imports of Unbleached Cotton Piece Goods from 1st. April, 1920 to 31st., December, 1922.

Records are not kept showing the different sorts of unbleached Cotton Piece Goods.

Statement showing the Imports of Cotton Piece Goods (unbleached) into the Colony and Protectorate of Kenya and Uganda Protectorate from various countries during the year ended 31st., March, 1921; 9 months ended 31st., December, 1921 and year ended 31st, December, 1922.

Countries whence imported.	Year ending 31st, March, 1921.		9 Month ending 31st., December, 1921		Year ending 31., December, 1922.		
					Quantity.		Value.
	Quantity. Yds.	Value. £	Quantity. Yds.	Value. £	Cwt.	Yds.	£
United Kingdom ...	1,048,299	40,793	110,862	11,788	531	216,551	14,440
India and Burmah ...	8,356,087	403,117	4,494,872	136,572	7,368	2,843,610	89,418
Arabia	6,774	787	38	5	20	6,412	518
Belgium	114,068	7,380	66,584	6,108	490	186,637	11.652
France	...	...	8,840	641	...	...	...

Germany	9,180	217	6,000	375	27	7,372	506
Holland	65,604	7,641	55,148	5,892	65	20,548	1,717
Italian East Africa...	6,764	886	9,954	1,222	39	11,883	1,265
Italy	40,032	2,367	3,048	289	15	6,482	153
Japan	1,904,531	98,748	4,224,316	142,802	21,142	6,782,029	192,018
Switzerland	2,926	733	12,680	1,541	76	32 124	1 737
United States of America	2,573,955	110,948	781,370	19,138	6,536	3,134,901	75,821
	14,128,220	673,617	9,773,712	326,373	36,309	13,248,549	389,245

APPENDIX 34.

CONFERENCE ON CUSTOMS FORMALITIES UNDER THE AUSPICES OF THE LEAGUE OF NATIONS.

No. 1849 of 28th March 1923.

From the Government of India, Department of Commerce to Chamber.

I am directed to forward a copy of letters dated the 16th and 20th February 1923, and enclosures, from the Secretary General of the League of Nations on the above subject. It will be seen that it is proposed to hold, under the auspices of the League, a Conference of customs formalities at Geneva on the 15th October 1923, and for this purpose the League wish to circulate to its members on the 31st May a draft programme on the subject, together with the criticisms thereon by the experts and business organizations of each constituent State. With this object in view, the Secretary General of the League desires that criticisms on the draft programme should be forwarded so as to reach Geneva by 1st May. It is of course not possible to comply with the Secretary General's request for a reply by this date, but the Government of India propose to communicate it as soon thereafter as possible. I am therefore to request that such observations on the several articles of the draft programme as your Chamber may wish to make may kindly be forwarded so as to reach the Government of India by 1st May at the latest.

No. H. C. 9747 of 20th February 1923.

From Deputy Secretary General, League of Nations, Geneva to the High Commissioner for India, London.

I have the honour to enclose a copy of a letter of invitation sent to the Government of India to participate in a conference on

Customs Formalities and other similar matters to take place in Geneva on October 15th, 1923.

The Council has entrusted the Economic Committee of the League with the preparatory work for this conference. The Committee have drawn up a series of proposals to serve as the basis of the programme of the conference which, together with the letter of invitations, have now been submitted to the States Members of the League with the request that they will furnish the Economic Committee as soon as possible and in any case not later than May 1st with such criticisms and observations as the Government may wish to put forward. It is evidently in the interest of each State to forward their observations in time to ensure that full account is taken of them in the preparation of the documents to be laid before the Conference. The Council is desirous that these documents should be sent out to all invited States by June 1st next.

I would therefore ask you to be good enough to represent to your Government the importance of the question and to request them to give their earnest consideration to the programme approved by the Council and to forward their observations not later than May 1st next in time for the meeting of the Economic Committee which will sit during the months of May to work upon the documents received.

Having regard to the fact that it has been necessary to ask the Governments to submit their observations within such a short time, you may perhaps care to consider the desirability of informing your Government of the invitation by cable, transmitting at the same time the request of the Council to submit to expert examination the draft programme contained in the Report of the Economic Committee to the Council and Assembly of 1922 (Document A. 59, 1922, II) which is already in the hands of your Government.

No. C. L. 15, 1923, II of 16th February 1923.

From the Secretary General, League of Nations, Geneva to the Government of India.

I have the honour to request you to convey to the Government of India an invitation in the name of the Council of the League of Nations to participate in a Conference on Customs Formalities and other similar matters to take place on October 15th, 1923, at Geneva.

This invitation is sent in pursuance of the resolution adopted by the Council on January 30th last.

The enclosed Reports of the Economic Committee* set forth the circumstances in which its proposal for the convening of this Conference was made.

The programme of the Conference will be confined to the group of subjects indicated in the enclosed proposal of the Economic Committee (Annex 2 to the Report presented to the Assembly of 1922), which was approved as a basis for the work of the Conference by the Council and Assembly.

It is the express wish of the Council that questions relating to the policy of members of the League in respect of customs tariffs or commercial agreements should be excluded from the scope of the Conference.

It will be for the Conference to decide how far the results eventually attained should be embodied in conventions, declarations or recommendations.

The Economic Committee has been entrusted with the task of drawing up the documents to be laid before the Conference. The Council is anxious that full opportunity should be given to all States invited to the Conference to ensure that their view, official or unofficial, are taken into account, when these documents are completed. The Council would therefore be glad if your Government

* Not printed here.

would furnish to the Economic Committee of the League any criticisms and observations on the proposals made in the several articles of the draft programme, by the various experts or business organisations which your Government may decide to consult. In this manner, the Economic Committee will be enabled to present to the Conference documents which take account of the views received from different States, whilst leaving to the Governments of those States complete liberty of action.

In order that these documents may be in the possession of all recipients of the invitations to the Conference in ample time before the meeting of the Conference, it is desirable that they be sent out on May 31st next. I am therefore to request that the observations to be forwarded by your Government may reach the Economic Committee not later than May 1st next, so that they may be utilised in the preparation of the documents.

The resolution of the Council referred to above reads as follows :—

"(*a*) That invitations to a Conference on Customs Formalities to take place at Geneva on October 15th, 1923, be now sent out in the name of the Council to all States Members of the League;

"(*b*) That these invitations be accompanied by the document approved by the Council and Assemby in September last as the basis for the programme of the Conference and by the Report of the Economic Committee on this subject which was presented to the Council and Assembly of 1922;

"(*c*) That it be explained, in sending out the invitations, that the Conference will be confined to questions of customs formalities and will not touch upon questions of tariffs and commercial agreements;

"(*d*) That all States invited to the Conference be requested to furnish to the Economic Committee as early as possible,

and in any case before May 1st next, so as to be utilised in the documents which will be submitted to the Conference, such criticisms on the subjects included in the programme as their various exports and bodies interested in the matter may wish to put forward. These documents will be ready for communication to the recipients of the original invitations on May 31st next.

"(*e*) The Council approves the methods proposed by the Economic Committee for the technical preparation of the Conference and authorises the Committee to consult such experts as it may think fit;

"(*f*) The Council considers it desirable on technical grounds that the number of States attending the Conference should be as large as possible, and resolves that invitations to the Conference be sent to the Governments of Ecuador, Germany, Mexico and the United States;

"(*g*) In view of the fact that the International Chamber of Commerce has for some time had in preparation an international consultation of representatives of industry and commerce on questions of the same category as those which figure on the programme of the Conference convoked by the League of Nations, this body be invited to attend the Conference in a consultative capacity without, however, having the right to vote."

No. T. 405 of 26th April 1323.

From Chamber to the Government of India, Department of Commerce.

With reference to your letter No. 1849 dated 28th March 1923, I am directed by my Committee to say that they have no remarks to offer.

APPENDIX 35.

ABATEMENT OF EXCISE DUTY.

Dated 31st May 1923.

From Messrs. Sarabhai Prataprai & Sons to Chamber.

We beg to invite your attention to the following :—

Duty paid yarns:—1. During the years 1894 to 1896 all foreign yarns had to pay import duty at 5% when brought to India.

2. In 1896 Excise duty was imposed on Indian cotton cloth and import duty on foreign yarns was removed, both the impost and the removal working synchronously.

This was due to the argument that imported yarns going to the manufacture of cloth cannot be taxed as the weaving of it into cloth was taxed for Excise duty.

3. In 1922, 5% have again been imposed on all foreign yarns imported into India.

Should we not claim refund of the proportionate amount of duty paid on imported yarns from the assessment for Excise duty on cloth manufactured out of imported yarns?

We shall feel obliged to know the result of your action in the matter.

The Cotton Duties Act 1922 Section 7-page 4-Sub-Section 3 (a): Should we not claim abatement of the amount of duties payable on the production of cloth from the Tariff-value assessed by the Collector for the payment of Excise duty purposes? Needless to explain that this may amount to a reduction of the payment of about Rs. 1-4-0 per every Rs. 1000/- in payment of Excise duty.

To facilitate proper consideration of the definition given in the said Cotton Duties Act, we have to request you to refer to Bombay Customs and Tariff Guide 1922, Section 15, Sub-section (a) particularly (1 & 2) thereof.

Under these Sections and definitions, Customs do allow an abatement of the percentage of duty on the value of the cloth. If the interpretation of the Sections in the Act as well as the Guide be same, the undersigned has been advised to believe that the assessed Tariff values also should be abated to the extent of the percentage of Excise duty included in such Tariff values when fixed.

No. T. 566 of 6th June 1923.

From Chamber to Messrs. Sarabhai Prataprai & Sons, Bombay.

With reference to your letter of the 31st May 1923 my Committee are sorry they cannot support your proposal on several grounds.

(*a*). The case of foreign yarn is analogous to mill stores and machinery and no refund is given on these materials from the excise duty.

(*b*). Excise duty on cloth woven in Indian Mills is intended to afford protection to hand-loom weavers and such protection will be greatly discounted if any refund is given to Mills on account of the foreign yarn used by them.

(*c*). The duty on foreign yarn is in a way an incentive to Mills manufacturing yarn of higher counts.

APPENDIX 36.

DUTY ON GOODS IMPORTED BY RAILWAYS.

No. T. 634 of 22nd June 1923.

From Chamber to the Collector of Customs, Bombay.

I shall feel obliged if you will kindly let me know (1) if stores imported by State-owned but Company-managed Railways are liable to customs duty and (2) if the Railway Companies get a rebate of 10% from the Customs authorities on all rubber goods purchased by them which are of foreign origin.

R. S. R. No. 2832 of 4th July, 1923.

From the Collector of Customs, Bombay to Chamber.

With reference to your letter No. T. 634 dated 22nd June 1923, I have the honour to say that the High Court of Bombay has recently decided in the case instituted by the G. I. P. Railway Co. against the Secretary of State that the stores imported by the G. I. P., East Indian and B. B. & C. I. Railways are entitled to entry free of duty under the proviso to Section 20 of the Sea Customs Act, as they are in effect the property of Government when landed. The Government of India are, however, appealing to the Privy Council against the decision of the Bombay High Court.

3. Rubber goods, imported by a railway which satisfy the definition of "component parts of railway material" (See items 101 and 102 of the present Tariff Valuation Schedule), are assessable at 10% *ad valorem*. Rubber goods not coming under the definition of "railway material" would be assessable either at 30% or at 15% under item Nos. 130 and 135 respectively of the tariff.

No. T. 770 of 17th July 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed by my Committee to send to you herewith copies of correspondence which has passed between them and the Collector of Customs, Bombay. It appears that all the Government stores are imported free of duty as well as the stores of State Railways. My Committee are of opinion that even the Government stores should not be imported free of duty but should be assessable under the usual Customs duty. As matters stand at present there is likely to be a great deal of complication specially with regard to the indenting of stores on the account of Railways or the Government. The Government Officer in charge finds that it is cheaper to purchase in England than in India to the extent of the duty which may be 15 percent in some cases and 30 percent in others. My Committee of course understand that the C. I. F. rate has to be added to the quotations for English and foreign stores and their prices have to be compared with the prices of local articles They fear, however, that in practice this is not done generally and that the comparison is made between the prices of local articles and the prices of foreign articles ex-duty. This absence of assessment of Government Stores for Customs duty purposes tends also to vitiate the statistics of Government accounts, as, if the usual Customs duty is added imports of Government stores will seem to be much more than what they are now. Under these circumstances, my Committee beg to suggest that the Government will be pleased to consider at an early date the advisability of amending the Customs Act so as to take away the exemption of Government stores and State Railways from Customs duties.

No. T. 1021 of 26th September 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed to remind you of the discussion which took place between my Committee and yourself at your recent interview with regard to the question of duty on imported stores on account of the Government. My Committee would like to know the progress, if any, which has been made with regard to this question which is a very vital one from the point of view not only of the commercial community but also of the general finances of the country.

D. O. No. 4966 of 5th October 1923.

D. O. Letter from Mr. G. L. Corbett of the Department of Commerce, Government of India, to the Secretary of the Chamber.

I have received your official letter No. T. 1021, dated the 26th of September, regarding the repeal of the proviso to Section 20 of the Sea Customs Act As I explained to you when I was at Bombay, the proposal involves large financial adjustments by the spending Departments, which must take some time to work out. In any case, as legislation is involved, nothing could be done until the next sessions of the Assembly. Meanwhile, I may assure you that I am giving the case my personal attention.

APPENDIX 37.

TIME LIMIT FOR TRANSHIPMENT OF GOODS FREE OF DUTY.

S. R. No. 4252 dated 28th September 1923.

From the Collector of Customs, Bombay to Chamber.

I have the honour to invite your attention to the provisions of the Sea Customs Act regarding transhipment (Chapter XII).

2. In order that the closing of ships manifests may be effected more expeditiously with fewer references it has been found desirable to prescribe a limit within which the privilege of transhipment free of duty can be effected.

3. It is of course not my proposal to place any unreasonable restriction on transhipment which might divert trade from Bombay; consequently I forward for your remarks the draft of a rule which I propose to recommend the Chief Customs Authority to issue.

4. The effect of this rule will be that if transhipment be not effected within one month (or in special circumstances 6 weeks) the cargo would then be on the same footing as local import cargo and would in due course become liable to be disposed of under the Port Trust or Sea Customs Acts, while to send it to its destination would involve payment of duty with the right to export under claim for drawback. The extended period of six weeks would not ordinarily be allowed unless it were shown that an oncarrying vessel was not available earlier. The Rules for the transhipment of goods in the port of Bombay will be found at page 267 of the 1922 Edition of the Bombay Sea Customs Manual.

Draft Rule.

No..... In exercise of the power conferred by Section 130 of the Sea Customs Act (VIII of 1878), the Commissioner of Customs, Salt & Excise, is pleased further to amend in the following manner Government Notification in the Revenue Department No. 6868 of 30th July 1894, as subsequently amended, and to direct that the amendment shall come into force after the expiry of two months from the date of the publication of this Notification:—

To Rule 2 add the following sub-paragraph:—

(*d*). Transhipment is effected within one month of the date of arrival of the importing ship or such extended period up to six weeks which the Collector of Customs may in special circumstances sanction.

No. T. 1112 of 22nd October 1923.

From Chamber to the Collector of Customs, Bombay.

I am directed by my Committee to reply to your letter S. R. No. 4252 dated the 28th September 1923.

With regard to your suggestion to prescribe a limit within which the privilege of transhipment free of duty can be effected, my Committee note that it is not proposed thereby to place any unreasonable restriction on transhipment which might divert trade from Bombay. My Committee therefore have no objection to your suggestion to prescribe the limit of one month within which the privilege of transhipment free of duty can be effected, provided, the extended limit under special circumstances were raised from 6 weeks as suggested to 8 weeks.

R. S. R. No. 4252 of 3rd November 1923.

From the Collector of Customs, Bombay to the Chamber of Commerce, Bombay.

With reference to your letter No. 2263/260 dated 26th October 1923 on the subject of the amendment of rules regarding the privilege of transhipment free of duty under the Sea Customs Act, I have the honour to inform you that I agree to your proposal to fix the period of free transhipment at two months from the date of the arrival of the importing ship, and that in the case of ports that are closed during the South West monsoon, an extension of six weeks after the opening of such ports should be granted.

R. S. R. No. 4252 of 3rd November 1923.

Copy forwarded for information to the Secretary, Indian Merchants' Chamber, 20, Bank Street, Fort, Bombay, with reference to his letter No. T. 1112 dated 22nd October 1923.

APPENDIX 38.

REBATE ON EXPORTS OF COAL FROM SOUTH AFRICA.

No. T. 397 of 25th April 1923.

From Chamber to the Government of India, Department of Commerce.

It has been brought to the notice of my Committee that the South African Government is giving a rebate of 8s. 6d. in respect of coal shipped as cargo overseas beyond South or South West Africa from Port Natal and Laurenzo Marques.

I am directed to request you to be good enough to inform my Committee if Government are aware that such a rebate is being given and if so what is the attitude of the Government with regard to it.

No. 3057 of 25th May 1923.

From the Government of India, Department of Commerce to Chamber.

In reply to your letter No. T. 397, dated the 25th April, I am to say that the Government of India are informed that a rebate of railway freight amounting to 7 shillings 9 pence per ton is given on coal exported from South Africa. This rebate is an indirect bounty on the exportation of coal, and under Section 8 (a) of the Indian Tariff Act. 1894 (VIII of 1894) as amended, the Governor-General in Council might impose, on coal imported into India from South Africa, an additional duty equivalent to the amount of the bounty. They have decided, however not to take this course, nor do they think that consumers in Bombay would desire them to do so. In this connection, I am to invite the attention of your Committee to paragraph 114 of the Fiscal Commission's report, and I am also to say that in spite of the imports of foreign coal into India, the supply of wagons to the Bengal and Bihar and Orissa coalfields is still not equal to the demand.

No. T. 563 of 4th June 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed to thank you for your letter of the 25th May No. 3057, supplying information to my Committee with regard to the rebate of Railway freight given on coal exported from South Africa. My Committee beg to suggest that a duty equivalent to the amount of the bounty should be imposed on coal imported into India from South Africa when a sufficient supply of Railway wagons is available. In the meanwhile my Committee will like to know when the supply of wagons to the Bengal, Bihar and Orissa coalfields will be equal to the demand.

APPENDIX 39.

PROPOSED AMENDMENT OF THE INDIAN INCOME-TAX ACT, 1922, TO PREVENT THE AVOIDANCE OF SUPER-TAX BY THE FORMATION OF BOGUS FIRMS AND COMPANIES.

No. 196-S. dated 23rd July 1923.

From the Government of India, Finance Departments to Chamber.

Subject.—Proposed amendment of the Income-tax Act, 1922, to prevent the avoidance of super-tax by the formation of bogus firms and companies.

It has recently been brought to the notice of the Government of India that a tendency to attempt advoidance of super-tax is showing itself by the formation of bogus firms and private companies in which the partners and shareholders, respectively, are the wives and children of the owner or owners of the business, even where the children are minors. In this way the super-tax payable by the partners in firms is much reduced or liability is avoided altogether, while the share-holders in companies may pay no more than the flat rate of super-tax to which all companies are liable. Instances have also occurred in which the principal shareholders in private companies receive a large personal income without liability to super tax by taking from the companies large loans without interest, a proceeding which is in reality a distribution of profits. The loss of revenue which is being incurred by the constitution of such bogus firms and private companies is already not inconsiderable and is likely to increase, while complaints have also been made that the ordinary firm which pays its full quota of tax is heavily handicapped in its business as compared with those which escape. The Government of India, therefore, are of opinion that the question of taking

preventive measures and of initiating legislation for this purpose should be considered.

2. So far as a firm is concerned the Government of India are disposed to think that the object could probably be best achieved by laying down that where the interest of any partner is in reality fictitious and has been created chiefly with reference to the distribution of profits, such interest for the purpose of assessment to super-tax shall be deemed to be the interest of the remaining partner or partners, and in particular that the interest of a wife or children in such cases shall be deemed to be the interest of the husband or father, respectively. As an instance of the type of firm which would be dealt with in the suggested legislation may be quoted a case in which a husband admitted his wife as a partner in his business by a partnership deed which provided *inter alia* that the bankers of the partnership should be such bank or banks as the husband might determine, that all capital and assets belonging to the business on the date of the partnership so created should belong to the husband, that all capital that might thereafter be brought in should belong absolutely and exclusively to the husband, that the wife should not be required to bring in any capital and should not be interested in or entitled to the capital invested or used in the partnership business or belonging thereto, that the net profits of the business should be divided between the partners equally, that the usual books of accounts should be kept at the place of business and should not be removed from it without the consent of the husband, that the husband should have the sole and exclusive management of the partnership business during his life-time and it should not be necessary or lawful for the wife to take any part or in any way interfere in the conduct or management of the business, that the husband should be entitled to determine the partnership any time by notice in writing to his wife, that the partnership should stand determined on the death of the wife, that on the determination of the partnership the business, its good-will, and all its assets and liabilities should belong exclusively to the husband, who, however, bound himself to pay to her or her heirs the amount at which her share in the capital and assets of the business stood in the last balance-sheet with interest at a specified rate. It is

clear from the recital of this typical case that the sole object of the partnership was to escape taxation. But while suggesting legislation for firms of this class the Government of India wish it to be clearly understood that there is no question of interfering with firms in which all the partnerships are genuine and which represent a pooling of ability or resources for the genuine purposes of the business. In particular the position of the salaried partner, where he is a real partner, will be recognized as such even though his interest be limited.

3. Two methods of dealing with the case of private companies have been considered: *(i)* to add a section to the Indian Income-tax Act, 1922, on the lines of section 21 (with its schedule) of the British Finance Act, 1922, of which a copy is appended,* or *(ii)* to declare that for the purpose of the Income-tax Act a private company shall be deemed to be a registered firm. Neither course is free from difficulty. Even if the second alternative were adopted, the assessment would be on the registered firm and if the members were of one family, the position would be that which it is desired to defeat, as stated in the foregoing paragraph of this letter. Further, as the Indian Companies Act allows, or recognizes, the formation of private companies, it may be argued that such companies should be recognized by the Government in fiscal matters and that other means should be sought to defeat the avoidance of taxation than by abrogating the law for this purpose. The Government of India, therefore, are disposed to consider that Indian Income-tax Act should be amended in accordance with British legislation on the same subject. They do not propose to give income-tax officers any powers in this respect, but would lay down that where an Assistant Commissioner of Income-tax considers that any private company has not distributed to its members a reasonable part of its income from all sources for a given year, he may for the purpose of assessment to super-tax direct that the income of the company shall be deemed to be the income of the members, the amount being apportioned accordingly. An appeal would lie to the Commissioner of Income-tax and it may be possible

* Not printed here.

to provide for it to be reheard by a provincial Board of Referees which would resemble the Boards appointed when the Excess Profits Duty Act was in force.

4. A careful definition of what is meant by a private company will be needed, and it is proposed to adopt the provisions of section 21 of the British Finance Act, 1922, and of the Indian Companies Act, 1913, for the purpose. As the question of the avoidance of taxation has only arisen since the Super-tax Act of 1920 was enacted it is intended that only private companies which were formed after the 1st April 1920 shall be brought within the purview of the proposed legislation. The other principal points in the definition would be:—

(*i*) the limitation of the number of a company's shareholders or members to 50, the number of shareholders being computed after excluding any shareholder who is a trustee or nominee for some person otherwise owning or beneficially interested in shares in a company, or is the employee of the company or is the wife or the infant child of a beneficial owner of shares in the Company ;

(*ii*) the restriction of the right to transfer shares ;

(*iii*) the prohibition of any invitation to the public to subscribe for any shares or debentures; and

(*iv*) the control of the company by not more than five persons. The company would be deemed to be under the control of any persons where the majority of the voting powers or shares is in the hands of those persons or relatives or nominees of those persons, or where the control is by any other means whatever in the hands of those persons; the term "relative" would mean husband or wife, ancestor or lineal descendant, brother or sister, and "nominee" would include a person who may be required to exercise his voting power on the directions of, or hold shares directly or indirectly on behalf of, another person.

Persons in partnership and persons interested in the estate of a deceased person or in property held on a trust would, respectively, be deemed to be a single person.

5. The Government of India are anxious that the proposals in this letter which are of a novel kind but which are based in fact on the procedure followed in Great Britain should be scrutinized as closely as possible and they would be glad to receive the views of your Chamber regarding both the necessity for legislation and the form which that legislation should take and, in particular, the feasibility of establishing Boards of Referees who would command the confidence of the commercial community.

No. T. 1118 of 24th October 1923.

From Chamber to the Government of India, Finance Department.

With reference to your letter No. 196-S, dated the 23rd July 1923 on the subject of the proposed amendment of the Income-Tax Act 1922 to prevent the avoidance of Super-tax by the formation of bogus firms and companies, I am directed by my Committee to send their views hereby.

While my Committee are not in favour of any attempt to evade taxation, they fear the proposed legislation may act as a hardship in several genuine cases and with that object they suggest that although there may be some companies which are unfairly accumulating their profits, there are certain small companies existing largely on borrowed capital and with a very small capital of their own, which if their trade is to progress are bound to put aside and accumulate almost the whole of their profits for further contingencies except the small amount which the proprietors need to live upon. However it is difficult to draw a line of distinction between two cases.

With regard to partnership firms my Committee beg to state that so far as the partners of the firm either bring in ability or resources they should be treated as registered firms for the purposes of assessment. My Committee would propose that the adult son or sons could succeed the deceased partner and a minor child or children having a genuine interest in the business because of the legal succession should be treated as partners in a duly constituted registered firm. In the interests of the business it is essential that adult son or sons should be allowed to be a partner or partners during the life-time of his or their father without bringing resources. Similarly if a wife either brings resources or ability, she should be considered as genuine partner in the partnership deed and the partners consisting of the husband, wife and adult sons should be considered as a genuine partnership for the purpose of assessment of income-tax and super-tax. There may be certain cases in which the wife does not bring either resources or ability and such cases should be treated quite separate from those dealt with above. In case a widow succeeds as a partner of the firm there is no reason why for the assessment purposes such partnership should not be registered. However each case will have to be decided on its own merits and no particular provisions could be laid down for them, but the intended legislation should clearly define the constitution of such firms to avoid ambiguity or misapplication of the provisions of the Act.

With regard to private limited companies the proposed legislation should apply to all private companies formed and registered before 1920 or after that date, and there is no special reason why the amendments should apply only to the private companies formed after 1st April 1920. Such an amendment would seriously prejudice *bona fide* companies—registered after 1920 and any such enactment would be contrary to the spirit of law and equity. The definition of the "Private Limited Companies" should be same as defined in the Indian Companies Act 1913 Section 2 sub-section 13. Sub-clause 4 of paragraph 4 does not clearly define as to what is meant by the control of the private limited companies by not more than 5 persons. This if possible should be exemplified and made more clear.

In para 5 of the First Schedule to Section 21 of the Finance Act it is stated with regard to the certificate to be given by an Auditor, and in this connection it may be suggested that the term "Auditor" applies to every person who is qualified under the Indian Companies Act of 1913 and the powers and functions of such Auditors should not be confined to or restricted to a number of the exempted societies. It should be clearly defined that the Assessment of the private limited companies under the proposed legislation should be levied by the Assistant Commissioner of income-tax, against which appeals should lie with the Commissioner of Income-tax, and if the Assessee is not satisfied with the orders of the Commissioner it is suggested that an application should be made to the Board of Referees whose decision in the matter will be final. It is however not clearly defined as to what is meant by the Board of Referees as well as its constitution. My Committee beg, however, to suggest that instead of a Board of Referees provision should be made in the Act that if a party is aggrieved by the orders of the Commissioner of the Income-tax reference should be made to the High Court and the matter should be dealt with not in the open Court but in Chamber by a Chamber Judge. It may also be suggested that wherever practicable such relief as is granted in the United Kingdom as under Section 40 should similarly be granted in Native States.

(E) COLONIAL QUESTIONS.

APPENDIX 40.

RETALIATION AGAINST THE COLONIES.

No. T. 661 of 28th June 1923.

From Chamber to the Government of India, Department of Education, Health and Lands.

I am directed to enclose herewith, for your information, copy

of a resolution* of which Mr. Manmohandas Ramji, representative of this Chamber on the Legislative Assembly, has given notice to move in the Assembly. It was resolved at an Extraordinary General Meeting of this Chamber held on 18th February 1923 that the representative of the Chamber on the Indian Legislative Assembly should be asked to move a resolution in these terms. This action was taken by the general body of the Chamber in view of the general situation in the Colonies with regard to the position of Indians there, which cannot be described as anything else but grave and serious to the extreme. Such a situation of helplessness and despondency has naturally created a deep dissatisfaction and resentment in the commercial community. The general body of the Chamber have thought it their duty as a last resort to take action on the lines suggested in the resolution as being the only constitutional means left to them to move and agitate in this direction. This Chamber has been interesting itself in the question of grievances of Indians in the Colonies since its very inception as a large number of Indian emigrants and settlers consists of traders and that too traders generally from the Bombay Presidency. This Chamber has viewed with natural alarm and anxiety the efforts on the part of different Crown Colonies and self-governing Dominions to place more and more handicaps on Indian traders with the view of ultimately eliminating their trade and ousting them from those places.

Regardless of all the promises and pledges from time to time held forth to Indian people and regardless of the pledge contained in the Reform Act that India would be treated as one amongst the many nations constituting the British Commonwealth, Colonial Governments have treated with indifference the rights and privileges of Indian residents there and have openly flouted the sentiment of citizenship of the British Empire, which we have been led to believe, Indians are entitled to. Not only is this treatment meted out in the self-governing Colonies but even in Crown Colonies and mandatory territories. My Committee do not exaggerate the situation at all when they say that it has become intolerable and that unless it is

* For text of the resolution, vide page, LI of this Report.

speedily remedied India will begin seriously to consider her position in the Empire. The sentiment of loyalty to the Empire has been given a rude shock by the treatment meted out to our countrymen in the Colonies. My Committee are fully aware of and recognise the efforts which have been made by the Government of India in the past to safeguard the rights and privileges of Indian emigrants in the Colonies. They, however, firmly believe that the time has now come when the Government of India should move further and identify themselves more firmly and strongly with the Indian people by accepting such a resolution as has been forwarded to the Legislative Assembly by our representative on it. In this connection they cannot help recalling how Lord Hardinge identified himself with the Indian people and practically put himself at the head of the movement for getting fair treatment for Indian emigrants and settlers in the Colonies. A declaration of their policy by the Government of India with regard to this question and a detailed statement as to what they have done in the past will go a long way towards reassuring the Indian people. This resolution merely asks the Government to put into practical shape their sympathy with the Indian people in this cause and to adopt the weapon of retaliation against those Colonies only which are unfair in their treatment towards Indians. My Committee do not, they hope, give away any official secret when they say that the Government of India themselves once were considering seriously the form in which retaliation could take place. The resolution lays down definite ways and means suggested by the general body of this Chamber for retaliating against the recalcitrant Colonies.

My Committee, however, hope that if the Government of India put the case of Indian emigrants and residents in the Colonies very strongly before the Imperial Government there will be no necessity for even resorting to the various remedial and retaliatory measures proposed in this resolution.

No. 615 of 6th July 1923.

From the Government of India, Department of Education, Health and Lands to Chamber.

I am directed to acknowledge the receipt of your letter No. T. 661, dated the 28th June 1923, with which has been forwarded a copy of Mr. Manmohandas Ramji's resolution advocating a policy of retaliation against the Colonies in view of the unsatisfactory treatment accorded to Indians overseas and to say that the matter will come up for discussion in the Legislative Assembly on the 10th July in connection with Rai Bahadur Bakhshi Sohanlal's resolution on the same subject.

APPENDIX 41.

INDIANS IN TANGANYIKA.

Telegrams from the Indian Association, Daressalaam to Chamber.

Dated 2nd April 1923.

Tanganyika Government promulgated three new commerce taxing ordinances first April, namely profits tax, pedlars and trades licensing ordinances respectively. Owing deplorable state country's trades burden completely unbearable. Operation impracticable and will mean virtual bankruptcy numerous small Indian traders. Universal protest throughout whole territory from practically every commercial community large and small. Protests from European Indian and Arab communities requesting Governor either repeal legislation or postpone operation few years pending trade recovery. Despite universal protest Governor emphatically refuses concede either alternative consequently practically every Indian throughout territory closed down business refusing apply trades licence. Matter serious and urgent. Request colonial office suspend operation until full representations reach London.

Telegram dated 16th April 1923.

Trust fully acquainted Tanganyika Indian situation from our statement through Associated with full details replying colonial office statement. Indian Merchants there not allowed trade without fresh licenses for last sixteen days. Those who traded so criminally sentenced. Preferred jail. Distress daily increasing. Government India not yet replied inspite repeated representations. Bombay presidency vast commercial interest this territory Zanzibar. Indians also resolved if no satisfactory solution made immediately take such peaceful legitimate means as closing their business. Also earnestly request make urgent representations Government India, if advisable interview Viceroy. Advise, assist. Also please move Indian member League Nations this year. Solicit cable reply.

Telegram dated 18th April 1923.

Indian Association greatly disappointed colonial secretary's decision as transmitted by Governor who appears to have incorrectly represented situation to Colonial Secretary. Firstly ordinances do not quite replace German laws. Of the three ordinances two are quite new; third ordinance replaces German law but with material differences. Intrinsically therefore proportion replacing German legislation very small. Secondly Governor states Indian action not supported by Goans and Europeans including Italians and Greeks. Only couple Italian shopkeepers whole territory. Greeks mainly hotel keepers unaffected owing possession liquor licences. Indians form about ninety five percent mercantile community whole territory. Moreover statement of non-support incorrect as British, Goan, Arab and Indian communities throughout territory protested very strongly against legislation. Thirdly Governor forwarded draft ordinances Daressalaam Chamber Commerce confidentially and before increase in customs tariff published merely three Members Chamber reviewed drafts their acceptance repudiated by recent general meeting. Indians were never consulted. Community not against reasonable steps raise revenue. Indians have not closed business their own desire but Government prohibits trading without fresh licences. Senior Commissioner visited Indian Association 29th March stated

anybody trading without new licences first April liable criminal prosecution. Lindi merchants traded three days without licences for which all merchants including Goanese prosecuted and sentenced ten days imprisonment plus forty shillings fine. Association submits sentence *ultra vires* Section 3 (3) licensing ordinances provides merely for fine. Moreover respectable Indian Merchants very badly treated. Telegrams from Lindi state they were incarcerated police station noon sixteenth April. Further telegram despatched eight o'clock morning seventeenth states since incarceration no food or water supplied within twenty hours. Association protests bitterly against such treatment. Telegram from Moshi states Government instructed natives not to sell milk and vegetables to Indians. Even now Indians prepared resume business provided no necessity fresh licenses. Present deadlock not due essentially profits tax but most seriously object annual renewal licences placing Indian merchants mercy of authorities. Yearly renewal imposes additional taxation whereas under German law opening licences were permanent and transferable. Further more Indians object compulsion keep books English or Swahili. Impossible to huge majority. Governor suggests one year sufficient time learn English alphabet. Over six thousand shopkeepers throughout territory including mostly illiterate male and female traders impossible learn alphabet and sufficient English to keep accounts in English characters. Gravest indignation prevails owing Governments unjust actions towards Lindi and Moshi. Association submits merely persecution by Government worthy severest censure. Owing trade deadlock native foodstuffs scarce little coming forward costing natives about two hundred percent higher causing considerable hardship and dissatisfaction. Colonial Secretary urged reconsider decision and telegraph instructions that merchants allowed resume trade without fresh licences at least pending arrival our delegates Usafali Karimjee Jiwanjee and Tayabali Rajabali Barrister who will place full representation before him.

Telegram dated 19th April 1923.

Following our telegram yesterday regarding Governments persecution Lindi and Moshi merchants further example notified from

Arusha where fourteen Indian merchants prosecuted under section 25 subsection Ordinance eight presumably for not rendering profits tax returns. Each sentenced to fine 500 shillings or three months rigorous imprisonment. Some paid fine others imprisoned. Additional prosecutions pending. Indian Association submits prosecution and sentence illegal section 22 subsection 2 same ordinance allows till first May for submission returns. Moreover sentences unnecessarily severe. Treatment meted Indians at Lindi, Moshi, Arusha evidence of prosecution and revenge. Association urgently requests intervention Colonial Office and India Office for protection against such persecution. All Indian trade throughout territory complete standstill since first April owing new legislation. Conference of representatives of Indians, Zanzibar, Kenya, Tanganyika decided seek your advice. Wire immediately if continuation closing shops helpful and necessary for strengthening your hands. Business will not be resumed until receipt your unequivocal advice which whole community is awaiting impatiently.

No. T. 390 of 20th April 1923.

From Chamber to the Government of India, Department of Education, Health and Lands.

I am directed by my Committee to enclose herewith copies of telegrams received from the Indian National Association, Daressalaam regarding the Indian situation in Tanganyika. My Committee will feel obliged if the Government of India will be pleased to let them know what action they have taken or propose to take in the matter.

No. 426 Emi of 26th April 1923.

From the Government of India, Department of Education, Health and Lands to Chamber.

Subject :—Position of Indians in Tanganyika.

I am directed to acknowledge the receipt of your letter No. T. 390 dated the 20th April 1923 on the subject noted above and

to say that the Government of India are closely following the progress of events in Tanganyika Territory and have communicated to the Secretary of State their views on the three new Ordinances.

No. T. 446 of 5th May 1923.

From Chamber to the Indian Association, Daressalaam.

With reference to your telegrams dated 18th and 19th April 1923, I am directed by my Committee to say that they fully sympathise with the grievances of their countrymen in Tanganyika and earnestly hope that a speedy settlement of the question will soon put an end to the sufferings and hardships of the Indian population residing in Tanganyika.

They, however fear that situated as they are at such a great distance they are not in a position to offer any advice on the delicate question of how best to handle the present situation. Assuring you again of my Committee's heart-felt sympathies with your sufferings.

APPENDIX 42.

INDIANS IN NATAL.

Telegrams from the Natal Indian Congress, Durban to Chamber.

Dated 26th April 1923.

Rural dealers wholesale retail licences ordinance passed by Natal Provincial Council supersedes licensing officer by licensing boards constituted of five Parliamentary voters Europeans. Board may be appointed for Natal or for parts of Natal. Discretion vested in boards. Right of appeal to special board from decision of licensing board restricted to renewals and where application for license is refused on ground applicant is not fit and proper person to hold such license or to carry on such business whereas under existing laws

applicant right of appeal in all cases to an appeal board and in cases of renewal to the supreme court. New ordinance appeal board not constituted of judicial men. There are also other objections. Ordinance if sanctioned Indian community doomed. Look to India and Indian Government to espouse cause intervene bring immediate urgent pressure Union Government to withhold sanction.

Telegram Dated 2nd May 1923.

Land ordinance passed establishing principle of segregation in boroughs and townships. This and rural licensing ordinance before Governor-General for sanction. Congress deputation proceeding Friday to Capetown represent Indian views Government against sanctioning ordinances. Natal Indians appeal India and Indian Government for pressure on Union Government refuse sanction. If ordinances sanctioned Indians ruined doomed.

No. T. 448 of 7th May 1923.

From Chamber to the Government of India, Department of Education, Health and Lands.

I beg to enclose herewith for the consideration of the Government of India the accompanying telegram received by my Committee from the Natal Indian Congress, Durban, and to request the Government of India to be pleased to let them know what action they have taken or propose to take in the matter.

No. 503-Overseas of 18th May 1923.

From the Government of India, Department of Education, Health and Lands to Chamber.

Subject:—Natal Rural Dealers' Licensing Ordinance.

I am directed to acknowledge the receipt of your letter No. T. 448, dated the 7th May 1923, forwarding a copy of the telegram from the Natal Indian Congress, Durban, regarding the Natal Rural Dealers' Licensing Ordinance.

2. In reply, I am to say that a copy of the telegram enclosed with your letter was received by the Government of India direct from the Natal Indian Congress on April 27th and that they have made representations to the Government of South Africa in regard to the Ordinance.

Dated 22nd May 1923.

From the Natal Indian Congress, Durban to Chamber,

We are posting you per book post, copy of Statement * presented to the Minister of Interior in Cape Town by a deputation from the Natal Indian Congress.

The interview was not encouraging. The Minister while admitting the justness of our claims sought refuge in the recommendation of the Asiatic Inquiry Commission in that that Commission had recommended a form of Appeal Board, (which is only a nominal Board of Appeal with power only to hear Appeals in cases where a Licence is refused on the ground that the applicant is not a fit and proper person to hold a Licence or carry on a proposed business) which the Natal Provincial Council incorporated in the Rural Dealers Licensing Ordinance against which we are opposed on the lines and for the reasons indicated in our Statement. The Minister in relying on the Commission's recommendation on the Licensing Appeal Board, conveniently at the same time forgot that the Government had gone beyond the recommendation of the Commission in sanctioning the Land Ordinance of Durban which laid down the principle of compulsory segregation in so far as unalienated lands of the Municipality were concerned. A similar measure is before the Government in regard to lands in other Boroughs and Townships which was also subject of our deputation.

In any case we have never at any time accepted the recommendations of the Commission.

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* Not printed here.

It would appear that it is a question with the Government either of sacrificing the weaker party, Indians, in order to keep the support of Natal members of Parliament, who are demanding all kinds of measures against Indians, or of the Government giving bare justice to Indians at the risk of losing the allegiance of Natal members and thereby jeopardising their voting power as a Government, which at present is not too strong.

The Minister, however, in reply to the Congress deputation that waited upon him promised to place our representations before the members of the Union Government.

We shall thank you to do whatever is possible on behalf of us your countrymen abroad.

No. T. 685 of 5th July 1923.

From Chamber to Natal Indian Congress, Durban.

With reference to your letter dated the 22nd May 1923, I am directed by my Committee to enclose herewith a copy of the resolution* which this Chamber's representative on the Indian Legislative Assembly is going to move in the current session of the Assembly, which my Committee trust will satisfy you. My Committee believe that they cannot do anything further in the matter at present.

APPENDIX 43.

INDIAN TRADE IN EAST AFRICA.

Dated 19th May 1923.

From the Secretary, Indian Merchants' Association, Nairobi to Chamber.

I beg to enclose herewith 100 copies of a pamphlet containing circulars of a body called the European and African Trade Organisa-

* Vide Page LI. of this Report.

tion. This Organisation has been started with the object of injuring Indian business and ousting Indians in the employ of the Government and Europeans, and is the direct outcome of the fierce political fight now raging between the Indians and Europeans.

Until the year 1910 nearly all the trade of the country was in the hands of Indian merchants, including both import and export business. Since then it has been slipping out of Indian hands gradually but persistently, until now, it has entirely passed into European hands. Where in 1910 there were a few large European Stores, depending chiefly on Indian merchants for their supply, today the European has captured every branch of business, big or small.

Banking.

Many causes have contributed to bring about this result. The Indian merchants took things too easily and exhibited a deplorable lack of enterprise; many of the leading import merchants, instead of looking ahead and strengthening their business, dabbled in money lending and neglected their legitimate calling and allowed the Europeans to capture their trade. Then this country consumes chiefly European imported goods, and this gave the European merchants a natural advantage.

But the dominating cause in this drifting of business from Indian to European agency has been the advent of three European Banks of high standing. These banks have opened their branches in nearly all the important trade centres in Kenya, Uganda, Tanganyika Territory and Zanzibar. Naturally enough these banks are helping European trade and European farming industry. Although these banks have ordinary business relations with Indian merchants, these latter do not enjoy banking facilities to the extent that is necessary for progressive business enterprise. As good sound banking facilities are the very life of modern business, Indian business is suffering.

It is necessary to mention that two Indian banks have attempted to open branches in this country. The first was the Ahmedabad and Kathiawar Banking Corporation. This bank opened under-

very good auspices and had a fair prospect of doing profitable business, but came to an abrupt close through the head office of the bank in India going into liquidation. The second was the Bank of India. This bank came at a time when the finances of this country were in the throes of frequent currency and exchange changes and all business was upset. Consequently this bank met with a discouraging reception. Beside this bank only opened its office at Mombasa and no bank can hope to do business in this country unless it opens offices all over the country, at least at places where banking facilities already exist. All the big business houses have ramifications in the four territories and if a bank sits only in Mombasa, no one will go to it as the other banks will refuse to deal with such firms in outstation.

While discussing this subject with leading Indian cotton merchants in Uganda the fact came out that a new bank will have to contend with another difficulty *i. e.* the supply of silver Shillings in the cotton season. This difficulty is peculiar and local to Uganda but is never the less formidable. On the other hand out of three banks already established in the country only one, the National Bank of India, enjoys special facilities for the supply of coins owing to its being the bankers to the Government of Kenya and Uganda. The other two banks have had to surmount these obstacles in the beginning and now seem to be doing very profitable business.

Any new bank, especially one under entirely Indian direction and management, is bound to meet with a certain amount of opposition from the existing European banks. The Indian merchants who are carrying overdrafts with these banks will, perhaps in the beginning, hesitate to deal with a new bank for fear of the overdrafts being called up, but none of these difficulties are such as to be insurmountable. The business of banking is essentially a business of enterprise and a bank equipped with a decent capital and having a competent, daring staff, need have no fear of its ultimate success. An Indian bank will certainly have a pull over the other banks as it will be run more economically, and being in a position to handle trade with India, including exchange transactions. Both are considerable and daily increasing.

It is of paramount importance that any bank that comes here must have its branch in London.

The support of the entire Indian community is assured for such an enterprise.

Imports.

My Association has to record with extreme regret the fact that Indian manufacturers are paying such scanty attention to the African market. There seems to be a general idea that Africa offers a very small and limited market, but such is not the case. The millions of natives of Africa whose chief wants upto a few years ago were confined to a few insignificant articles *i. e.* beads, americani etc., are fast acquiring refined tastes in dress and are taking to articles of finery. The buying capacity of an average African native is far higher than that of an average Indian (in India, I mean) owing to the fact that the only use the former can put his money to is the buying of wearing apparel, boots, bicycles etc., and is not weighted down by the anxiety of finding money for marriages and other ceremonies. His indebtedness is nil. His household needs do not require cash. The result is that all the money he gathers by the sale of his produce, which is considerable and increasing with each year, is spent in decking his person and providing real or imaginary conveniences.

While considering Africa as market for Indian manufactures, Kenya is not the only country to be taken into account. There is Somaliland, Abyssinia, Sudan, Congo, Uganda, Tanganyika, East and West Portuguese Africa, South and South West Africa. There are 40 millions Africans to be served who are very potential buyers of imported goods. And they are acquiring tastes for well made goods of good quality and will not look at shoddy third rate articles if better stuff is at hand, no matter at what price.

I may point out that the European and American merchants are already in the field and all the important manufacturers have representatives in this country who are carrying on a vigourous and aggressive trade propaganda. They have achieved considerable

success. The Japanese are the latest arrivals and mean to out-do everyone else.

Why not Indians?

It is very necessary that the Indian manufacturers make a determined and well organised effort to capture the African market. This market is not composed of native Africans alone. It will be well to study the needs of the thousands upon thousands of Europeans, Indians and Arabs, who although small in numbers, are large consumers of imported goods.

It is necessary to point out that past experience has shown that where the same article is imported from Europe and India, the European article, although much more costly than the Indian made, finds a ready market. The reason for this is that the European manufacturer pays a great deal of attention to the finish of his goods, employs standardised, protective packing, with the result that his goods arrive in the market in fresh, clean condition and fetch good prices and find ready market. On the other hand the Indian manufacturer thinks that his job is finished at the making of the article. He just wraps it up anyhow. His packages arrive with corners broken and the contents covered with dust. Few Indian houses worry about metal-lined water-proof packing. To give you an instance, thousands of pairs of boots and shoes are imported from Europe into this country every month. They are packed first in card board boxes and then in water-proof cases. They arrive with their original shine on, fresh, bright, soft and pliable and fetch very good prices indeed. Some people have attempted to import boots from India and every time have lost money. Why? The Indian boots arrive packed in gunny bags, their cardboard boxes broken and the boots covered with dust and consequently dried up. They crack with the least twist and are therefore unsaleable. There is a fortune waiting for an Indian manufacturer of leather goods, especially boots and shoes, who cares to study the market and produce a good, reliable article which will stand reasonable wear and which will have a decent outward appearance and finish.

The above remarks apply to most goods imported from India. There seems to be a prevalent idea with the Indian manufacturers that anything will sell in India. This is not the case. Articles of low quality often get left while articles of good quality find a ready market.

It is not possible to enter into details of the requirements of this country. My association is collecting samples which will be forwarded to you in due course with a view to ascertaining whether they can be manufactured in India at a reasonable cost. In the meantime I shall be glad if you will kindly put my association in touch with Indian manufacturers of all kinds with a request that they should send to me their catalogues and where possible the samples of their goods. It is the intention of my association to shift as much of the import business of this country to India as the Indian manufacturers can handle at competitive prices.

Considerable quantity and variety of German goods are creeping into this country. I understand that as Indian importers of German goods import very large quantities, it would be cheaper to obtain such goods from Bombay than from Germany. I shall be grateful if you will kindly put me in touch with importers of German goods in Bombay.

I have briefly indicated above the causes to which our business subordination is to be ascribed and the measures we propose to adopt to improve our position. The Europeans have discovered the weak spots in our position and are directing their attacks on them. Hundreds of Indians have been turned into the streets as a result of the economic pressure and natives and Europeans are being urged to sever all business relations with Indians. Practically Indian business is at a standstill. Here we are totally powerless to retaliate as we lack the means whereby to turn the lever.

My association will be glad to know if it is possible to start an economic propaganda against the Europeans in Bombay.

No. T. 654 of 27th June, 1923.

From Chamber to the Indian Merchants Association, Nairobi.

I duly received your letter of the 19th May enclosing 100 copies of a pamphlet containing circulars of the European and African Trade Organisations. Your letter has been reviewed in the editorial columns of the July issue of our Quarterly Journal for the information of our members, a copy of which will be sent to you.

APPENDIX 44.

KENYA.

Telegram from Chamber to the Private Secretary to H. E. the Viceroy,

Dated 1st August 1923.

"At the first meeting of the Committee of the Indian Merchants' Chamber after the Kenya decision they authorised me to communicate to His Excellency the Viceroy the following unanimous opinion on the subject. Decision is most unexpected and unjust in face of declaration of equal status within the Empire at the Premiers' Conference 1921. Decision undoubtedly points to the Empire for white men. India will have no option left but to refuse to identify herself with the Empire hereafter. The minimum India can expect His Excellency's Government to do is to vindicate this affront to her by every means including effective retaliation within their power. Fazulbhoy Currimbhoy, President."

Dated 19th August 1923.

From the Secretary, Bombay Provincial Congress Committee to Chamber.

I have the honour to inform you that the Bombay Provincial Congress Committee has passed a resolution in connection with Kenya question pursuant to the resolution of the Working Committee of the All-India Congress Committee to observe complete Hartal on Mondy, the 27th instant. I have therefore to request you to place this letter before your Association for necessary action and oblige.

No. T.-928 of 22nd August 1923.

From Chamber to the Secretary, Bombay Provincial Congress Committee.

With reference to your letter dated the 19th instant, I am directed by my Committee to inform you that they have resolved to close the Office of the Chamber on Monday, the 27th instant as a mark of protest against the Kenya decision.

APPENDIX 45.

BOYCOTT OF BRITISH EMPIRE GOODS.

Dated 30th August 1923.

From Messers. Lakhmidas R. Tairsee, Ranchhoddas H. Gandhi and Ramchandra, M Bhatt to Chamber.

You will kindly place this letter before the next meeting of the Committee. They must be aware of the keen feelings of the whole of the Indian Commercial Community regarding the Kenya situation.

We note that they have joined the public meeting proposed to be convened under the joint auspices of several Associations. All this should not however prove enough and we beg to suggest therefore that the Committee should arrange to convene a Conference of all Indian Chambers of Commerce and Commercial Associations to consider ways and methods and concert measures for taking retaliatary steps against Great Britain and British Colonies, specially boycott of British Empire goods. The Kenya decision, it need not be said, affects the commercial interests more than other interests and it is no exaggeration to say that had a similar decision been taken by any country against British commercial interests British Chambers of Commerce would have unanimously asked for nothing less than war. It is a vital necessity for all our Indian Chambers to unite at such a critical juncture in our history to adopt practical measures which will make the British Empire to recognise the status of India.

No. T.-1015 of 25th September 1923.

From Chamber to Mr. Lakshmidas R. Tairsee.

The letter dated 30th August 1923 and signed by you, Mr. Gandhi and Mr. Bhat was considered by the Committee at their last meeting held on Saturday the 22nd instant. As you know a Committee was proposed to be appointed by a resolution of the public meeting held in the Town Hall. The Committee of this Chamber will like to consider suggestions, if any, which may be made by this Committee before they take any action on your letter.

Dated 25th September 1923.

From Mr. Jehangir B. Petit, to Chamber.

At a conference representing the different political Associations and Schools of thoughts in the city, recently held at the Servants' of India Society, where amongst others, Mrs. Annie Besant, The Right Hon. Shrinivas Sastri, Sir Purshottamdas Thakordas, Mr. M. R.

Jayakar, Mr. Jamnadas Dwarkadas, Mr. K. Natarajan, Mr. D. G. Dalvi and the undersigned were present, the following resolution was unanimously passed :—

> "That a Committee be appointed to investigate and report on the question of boycotting British goods without injury to the industrial progress of the country or the infliction of suffering on the poorer classes of the community; on the question of prohibiting, or restricting by heavy duties on, all imports from the Dominions, and on the general question of the puchase of goods from abroad."

The Committee, appointed at the Conference, has accordingly been considering the question for some time. As one of the Resolutions at the public meeting of the citizens of Bombay recently held at the Town Hall also contemplates the appointment of a Committee for very much the same purpose, my Committee feel that perhaps it would be better and save duplication of machinery if, instead of appointing another Committee, representatives of the different Associations under whose auspices the recent public meeting was convened, were invited to join and take part in the deliberations of this Committee so that a full and comprehensive report acceptable to all parties may be drafted and placed before the country without further loss of time.

I have accordingly been authorised by my Committee to approach you and request your Committee to appoint two representatives on my Committee to represent your Association.

For your information, I transcribe overleaf a complete list of the members of the present Committee.

Thanking you in anticipation of an early reply.

List of Members of the present Committee.

Mr. Jehangir Bomanjee Petit ...	... (Chairman).
Prof. K. T. Shah	... Member.
Mr. K. Natarajan	... ,,
Mr. N. M. Joshi	... ,,
Mr. Mavji Govindji	... ,,
Mr. Manu Subedar	... ,,
Mr. J. K. Mehta	... Co-opted member
Mr. Laxmidas Ravji Tairsey ...	... ,, ,,
Mr. Husseinbhoy Abdullabhoy Lalji	... ,, ,,
Mr. Umar Sobani	... ,, ,,
Mr. Jamshedji Ardeshir Wadia ...	... (Resigned).
Mr. Jamnadas Dwarkadas ...	... (Secretary).

No. T.–1096 of 16th October 1923.

From Chamber to Mr. Jehangir B. Petit.

With reference to your letter dated the 28th ultimo, I am directed by my Committee to inform you that they have nominated the following gentlemen as this Chamber's representatives on the Boycott Committee :—

Mr. Devidas Madhavji Thakersey. 72, Appollo St., Bombay.

Mr. Manu Subedar, Sudama House, Ballard Estate, Bombay.

Mr. Walchand Hirachand, do. do.

Mr. Motilal Vallabhji, 37–39, Ghogha Street, Fort, Bombay.

No. T.–1170 of 14th November 1923.

From Chamber to Mr. Jehangir B. Petit.

In continuation of my letter No. T. 1096 dated the 16th ultimo, I have to inform you that Mr. Vithaldas D. Govindji (Chowk, Muljt Jetha Market) has been nominated as one of the representatives of this Chamber in place of Mr. Motilal Vallabhji resigned.

No. T.–1354 of 10th December 1923.

From Chamber to Mr. Jehangir B. Petit.

In continuation of my letter No. T. 1096 dated the 16th October 1923 I am directed by my Committee to inform you that Mr. M. M. Amersey (Sudama House, Ballard Estate) has been nominated as one of the representatives of this Chamber in place of Mr. Manu Subedar resigned.

(F) PUBLIC ENQUIRY COMMITTEES & COMMISSIONS.

APPENDIX 46.

CONSTITUTION OF THE TARIFF BOARD.

No. T.–763 of 16th July, 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed by my Committee to address you as follows:—

Regarding the constitution of the Tariff Board, my Committee have noticed a serious deficiency in the Board in the absence of any Indian industrialists. Since the Board is constituted for a year only they will reserve their detailed suggestions till later on. But they would respectfully draw the attention of the Government to the provision for co-option contained in the resolution adopted by the Indian Legislative Assembly on the 16th February 1923 and trust that the Government of India will make full use of this provision.

APPENDIX 47.

TARIFF BOARD-PROTECTION TO STEEL INDUSTRY.

No. 36 of 17th July, 1923.

From the Secretary, Tariff Board to Chamber.

I am directed to forward a copy of the enclosed Press Communique for the information of your Chamber.

No. 35. dated 17th July 1923.

Press Communique.

The Tariff Board have been appointed to advise the Government of India as to the means by which effect should be given to the policy accepted by the Government of India and approved by the Legislative Assembly of adjusting the fiscal system of the country so as to foster the development of industries. In the Resolution of the Government of India in the Department of Commerce, No. 3748, dated 10th July 1923, the Board were directed to examine first the question of extending protection to the manufacture of steel in India. In order that the Board may proceed with their investigations without undue delay it is important that they should receive as soon as possible from firms or persons interested in the steel industry or the industries dependent on the use of steel full statements of their views.

2. The primary question to be examined is whether the circumstances of the steel industry are such as to justify protection being extended to it and, if so, what should be the nature and extent of the protection given. But the Board have also to take into account the effect which any measures they recommend may have on industries dependent on the use of steel, and in particular the industries which manufacture wagons, locomotives and other Railway requisites. It will be necessary for the Board to keep this aspect of the case constantly in mind throughout their enquiries, and it will greatly

facilitate their work if those interested in the industries referred to will submit statements of their views as soon as possible, and state at the same time whether they desire that a witness or witnesses, should be examined orally in support thereof.

3. The Board's office will close in Simla on the 8th August, and the Board will then proceed to Jamshedpur where the evidence adduced on behalf of the Tata Iron and Steel Company will be taken. On the completion of their work at Jamshedpur the Board will continue their enquiries at Calcutta on a date to be announced subsequently.

S. N. BANERJI.

Secretary, Tariff Board.

No. T. 870 of 11th August 1923.

From Chamber to the Tariff Board.

I am directed to acknowledge receipt of your letter dated 17th ultimo, enclosing a copy of the Press Communique dated the 17th ultimo No. 35. My Committee have decided to avail themselves of the invitation held out in the said communication by the Tariff Board to those industries which are consuming steel as well as consumers of steel for giving their views as to whether protection should be given to the production of steel in India. My Committee have not the advantage of having before them the suggestions of the manufacturers of steel in this country, but they had an opportunity of reading the evidence given by Messrs. the Tata Iron and Steel Co., Ltd., before the Tariff Commission, from which evidence it was conclusively demonstrated that the steel industry in India was worth preserving against the attacks to which it is at present exposed from dumping by foreign producers ; that both from the standpoint of military necessity of the country as well as that of the ordinary consumers in industries of every description, the steel production as a key enterprise has to be saved from the critical situation in which it has been put by the depression of trade after the war.

My Committee would be prepared if called upon at a later stage, to communicate their views on any specific proposal as to the effect of any particular form and degree of protection on prices as well as the financial aspects of any bonus on production which may be given to manufacturers of steel. Both these forms of protection have been warmly recommended by my Committee in principle and I am to convey the decided opinion of my Committee that any temporary increase in prices would be more than offset by the permanent establishment of the productive strength in this direction and that if the consuming public and the industries concerned could put up with very much higher prices during the war there is no reason why they should object to a certain amount of temporary burden for such an estimable object. The probable effect of any duties would be in the first instance to prevent the fall of prices to levels below the working cost of production in this country rather than an actual rise. Even if there is an actual rise, in some of the steel items, the community can, and ought to, bear it on the fundamental principle of protection to industries which involves the initial and immediate sacrifice in order to secure substantial permanent results. The present organization of the steel industry is hardly satisfactory from the point of view of the consumers. Quotations are received in foreign currencies and material is promised for shipment, which for one reason or the other is usually delayed without any redress to the importer. Confirmed credits have also to be opened involving the locking up of a good deal of resources, and in case the specifications do not tally with the actual deliveries, the problem of getting adjustments has been found in actual practice to be extremely difficult for the ordinary Indian merchant. Large traders in steel as well as large consumers would, therefore, find a source of local supply to their serious advantage, which they can base as a standard on which they could rely for all emergencies, and dealing through which they would be free from some of the uncertainties and sources of trouble mentioned above.

As consumers of steel, my Committee feel that it is definitely suicidal to wish to acquire any small immediate lots which may have been dumped down by foreigners for their own purposes or inimical programme, when such lots are available at prices below the cost of

production of steel in this country. This principle has been recognised to such an extent not only in countries like United States and Japan, who have been vigorously protectionists, but even in the United Kingdom in some of the provisions of the Safeguarding of Industries Act, 1921, that no Government with any pretence at taking care of the prosperity of the population can allow the consumption of any article in the country cheaper than it can be produced in the said country, or even the country of its origin. Even the Government of Lord Curzon in 1903-04 while remaining staunch adherents of free trade, passed a bill putting counter-vailing duties on bounty-fed sugar. In actual practice steel, which has been dumped cheap in this country, is not different from bounty-fed sugar. If the foreign marauders, who are dumping down their output of steel on India, were allowed a free hand and if the producing industry in this country were allowed to die out, the consumers would very easily fall into the hands of a ring or trust of foreign steel magnates and would then be subjected to prices which will hit them for very many years harder than any temporary advantage which they can get in the immediate future from the continuance of the present situation.

My Committee are conscious that a few consequential alterations may have to be made in the Tariff system of this country in order to meet genuine complaints from industries using steel for directly productive purposes. These complaints could be dealt with on their own merits in some cases by special transport and other facilities to counteract the rise and in other cases by a definite protection being granted to them also. As a general rule my Committee would not favour a permanent protection, but would favour a sliding scale, by which duties could be levied at the start and would go on gradually reducing at the end of every 5 years until in 20 years they were completely withdrawn by a gradation laid down from the start. The amounts realised by such duties ought to be given to the industry concerned by way of bonus.

APPENDIX 48.

INDIAN MERCANTILE MARINE COMMITTEE.

No. 109 of 7th March 1923.

From the Secretary, Indian Mercantile Marine Committee to Chamber.

I am directed to forward 50 copies of the Questionnaire prepared for witnesses giving written evidence for the Indian Mercantile Marine Committee, and to say that my Committee will be glad to receive written replies from your Chamber and any other persons or firms known to you who are likely to have views of importance to submit to the Committee. As at present arranged the Committee will assemble at Bombay on the 3rd April for the consideration of the written evidence received and the oral examination of those witnesses who can conveniently appear at Bombay for the purpose.

Instructions to persons invited to give evidence before the Indian Mercantile Marine Committee.

The "terms of reference" to the Committee are stated in the attached memorandum (Appendix B). The following questions are designed to cover the whole field of the enquiry, so for as it can be outlined at this stage. It is not, therefore, expected that each witness should necessarily answer all the questions put. It is particularly requested, however, that categorical replies should be given to each question which a witness may find himself in a position to answer and that no attempt should be made to reply to the Questionnaire as a whole in the form of a general memorandum. If a witness wishes to give his views on any points relevant to the enquiry, which have not been included in the Questionnaire, it would be convenient that such points should be dealt with in a supplementary statement. Appendix C contains a brief account of the different forms of State Aid or protection given in various countries for the development

of a national mercantile marine which, it is hoped, will serve as a useful guide to witnesses as to the particular lines on which their views and suggestions are required. The special attention of shipbuilding and engineering firms is drawn to the separate list of questions on the subject of shipbuilding and engineering which forms Appendix A to the Questionnaire.

2. The Committee is inviting directly or through Local Governments various associations and individuals to forward in writing their replies to the Questionnaire. The Committee will also be glad to receive replies from any Associations or individuals not so invited who may wish to represent their views. Copies of the Questionnaire can be obtained on application to the Secretary, Indian Mercantile Marine Committee, Royal Indian Marine Dockyard, Bombay, or to the Secretary in the Marine Department of the Governments of Bombay, Bengal and Madras and the Secretary in the Commerce Department of the Government of Burma.

3. The early receipt of written replies to the questions will greatly facilitate the work of the Committee. After perusal of the replies the Committee will select the witnesses for oral examination. To give adequate time for this it is requested that replies may be despatched to the Secretary with the least possible delay.

Questionnaire.

Development of Shipping Industries.

1. What is your opinion regarding the present condition of the Shipping industry in India?

2. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the development of shipping enterprises by the people of this country?

3. Can you suggest any measures to remove or mitigate existing difficulties or disabilities, without having recourse to State aid, and to encourage the people of this country to embark on shipping enterprises?

4. Are you of opinion that State aid is necessary or desirable to promote the satisfactory development of shipping industries by the people of this country?

5. If you consider State aid necessary or desirable, what method or methods do you advocate?

6. Do you advocate any legislative measures for the purpose of the satisfactory development of shipping industries by the people of this country and, if so, what should the legislative measures be?

7. Do you favour the grant of navigation bounties to vessels owned by the people of this country and on the Indian register and trading (*a*) between Indian ports (*b*) between India and ports abroad and (*c*) between ports outside India?

8. Would you, in the case of vessels owned by the people of this country, and registered in India, restrict the grant of navigation bounties to specified routes and, if so, to what routes, and state your reasons for selecting the particular routes you suggest?

9. Do you advocate any limits as to gross registered tonnage, average speed at sea and age for the aforesaid vessels to be eligible for a navigation bounty and, if so, what limits in each case?

10. If you are in favour of these bounties, what rates and limits of bounty would you advocate for the aforesaid vessels for a bounty based on gross registered tonnage, minimum average speed at sea and minimum distance run over a stated period?

11. Would you recommend any additional percentage of increased bounty for extra speed over and above the minimum average speed at sea advocated by you and, if so, what percentage on vessels engaged in trading as indicated in question No. 7 (*a*), (*b*) and (*c*)?

12. Do you advocate that provision should be made for the gradual reduction of the bounty after a specified term of years? If so, what percentage of reduction would you suggest and after how many years for vessels engaged in trading as indicated in question No. 7 (*a*), (*b*) and (*c*)?

13. Would you advocate that Navigation bounties should not be paid to vessels built outside of India unless they have been on the Indian register for a specified period of years and, if so, for what period?

14. Do you advocate that Navigation bounties should cease altogether after a specified period of years in respect of vessels built outside of India, and if so, after what period?

15. Would you advocate that all vessels receiving a Navigation bounty must take on board a certain number of Indian apprentices for purposes of training?

16. Would you exclude the employment of (*a*) non-British subjects and (*b*) non-British Indian subjects on vessels receiving a Navigation bounty except when vacancies, which it is impossible to fill, occur at a foreign port? If you advocate exclusion, would you reserve any power to the Government to make exceptions?

17. Would you advocate the cessation of Navigation bounties in the case of vessels being sold, chartered or mortgaged to non-Indians?

18. Under the provisions of the Indian Coasting Trade Act V of 1850, the coasting trade of India is open to all comers. Are you in favour of this policy or do you recommend any reservation of the Indian coasting trade for the development of an Indian Mercantile Marine, and if so, what?

19. What, in your opinion, would be the effect of any policy of reservation of the Indian coastal trade?

20. If you advocate the reservation of the Indian coastal trade, would you impose a condition that such ships should give facilities for training Indian apprentices?

21 What size and description of vessels, in your opinion, are most likely to be required for an Indian Mercantile Marine?

Development of Shipbuilding and Marine Engine construction.

22. Do you consider that vessels required for the Indian Mercantile Marine should be built entirely in private shipyards, or do you recommend the establishment or development of Government dockyards for this purpose?

23. What is your opinion regarding the present condition of the Shipbuilding and Marine Engine construction industry in India?

24. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the development of such industries by the people of this country?

25. Can you suggest any measures to remove or mitigate existing difficulties, or disabilities, without having recourse to State aid, and to encourage the people of this country to embark on such industries?

26. Are you of opinion that State aid is necessary or desirable to promote the satisfactory development of those industries by the people of this country?

27. If you consider State aid necessary or desirable, what method or methods do you advocate?

28. Do you advocate any legislative measures for the purpose of the satisfactory development of these industries by the people of this country and, if so, what should the legislative measures be?

29. Are you in favour of the grant of construction bounties to vessels built in Indian shipyards?

30. Do you advocate that construction bounties should be confined to vessels built of steel only? If so, what, in your opinion, should be the minimum gross registered tonnage of vessels built in Indian shipyards, which can be considered eligible for a construction bounty?

31. If you advocate the grant of construction bounties, what rate per ton of gross registered tonnage do you recommend should be given for the hull alone?

32. If propelling machinery also is built in India, would you advocate a bounty per actual horse power being paid to the propelling machinery builder?

33. In the case of vessels which are to receive shipbuilding bounties, do you advocate that no materials made outside of India should be used for the construction of the hull and propelling machinery or would you advocate any exceptions such as:—

(*i*) Stem, stern post, rudder and rudder tiller, rudder post, quadrant, and rudder pintles.

(*ii*) "A" brackets and triple screw shaft bearings.

(*iii*) All stanchions not less than 7 inch diameter.

(*iv*) All kinds of springs.

(*v*) Corrugated and plain or flanged boiler furnaces.

(*vi*) Rotor (wheel) spindle or shaft and blades for turbine engines.

(*vii*) Patented articles or articles of new design made abroad.

(*viii*) Windlasses, cargo winches, steering engines and gear, anchors and chains, wire ropes, hand bilge pumps, fire pumps, cabin ports, electric apparatus, steam and electric pumps, and ash ejectors.

(*ix*) Steel plates, angles, forgings and castings (iron or steel).

34. If you advocate any exceptions as suggested above, do you recommend the grant of any customs concessions, and if so, what?

35. What measures do you suggest to prevent the abuse of these concessions?

Encouragement of the construction of wooden ships.

36. What is your opinion regarding the present condition of the Wooden Shipbuilding industry in India?

37. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the further development of such industry by the people of this country?

38. Can you suggest any measures to remove or mitigate existing difficulties or disabilities, without having recourse to State aid, and to encourage the people of this country to further develop such industry?

39. Are you of opinion that State aid is necessary or desirable to promote the further development of this industry by the people of this country?

40. If you consider State aid necessary or desirable, what method or methods do you advocate?

41. Do you advocate any legislative measures for the purpose of the further development of this industry by the people of this country and, if so, what should the legislative measure be?

42. Are you in favour of the grant of construction bounties to wooden ships built in Indian shipyards?

43. Is any difficulty experienced in effecting the insurance of Indian built wooden ships and, if so, what remedial measures do you recommend?

Officers for the Indian Mercantile Marine.

44. Do you consider that any considerable number of the youths of this country are likely to be desirous of following the sea in the capacity of Officers in the Mercantile Marine?

45. If so, should Government take any active steps to provide for (*a*) their training, (*b*) future employment, and (*c*) facilities for further study when qualifying for Board of Trade certificates in the various grades, or would you leave these to private enterprise in India?

Preliminary training as Cadets.

46. Do you advise that cadets for training should proceed direct to sea as apprentices or should they undergo a preliminary course of instruction in a training ship or training establishment on shore?

47. If you are in favour of preliminary training in a training ship or establishment, do you advise that this should be carried out in India, and if so, do you recommend that the training ship or establishment should be provided or supported by Government?

48. If some cadets are also trained in England, do you consider that they should be expected to pay the full fees for such training, or do you advise that Government should assist by establishing a system of scholarships for the purpose? If the latter, please give your views regarding the form which these scholarships should take?

49. If the training ship or establishment should be in India, should there be one or more, and do you recommend that the maintenance charges of such institutions should be met wholly or partially by the levy of fees? If not wholly, by what means do you suggest that the maintenance charges should be met?

50. Do you advocate the establishment of a training ship or nautical college on shore?

Further training as apprentices to the sea.

51. Do you advocate that after undergoing their preliminary training, the boys should serve a period of apprenticeship in steamers of the Mercantile Marine or in a sea-going training ship?

52. If the former, do you consider that shipowners are likely to accept apprentices for training, and if not, do you know what their principal objections are to doing so? Can you suggest any measures to overcome such objections and to encourage shipowners to accept apprentices?

53. If the apprentices are required to pay a premium for their apprenticeship, should Government pay the whole, or any portion of it?

54. If you recommend the provision of a sea-going training ship for apprentices, do you consider that this should be supplied and maintained by Government, or are you of opinion that it could be maintained entirely or partially by premiums and by carrying freight or Government stores?

55. Do you consider that apprentices in a sea-going training ship should be given free food, and any uniform or clothing allowance during apprenticeship?

56. Have you any views as to the curriculum of study during the period of training as a cadet and as an apprentice?

57. Do you consider that any sort of Nautical Academy or Academies should be established for the purpose of enabling Indian Mercantile Marine Officers, who have completed their apprenticeship, to undertake special studies before appearing for their Board of Trade Certificate for Mates and Masters, on the lines that now obtain in the United Kingdom?

58. If so, how many academies do you consider are likely to be required for the purpose and in which ports should they be situated? Could they be made self-supporting by fees or should they be provided and maintained wholly or partially by Government?

Engineers for the Indian Mercantile Marine.

59. Do you consider that any considerable number of the youths of this country are likely to be desirous of following the sea in the capacity of Engineers in the Mercantile Marine?

60. If so, should Government take any active steps to provide for (*a*) their training, (*b*) future employment, and (*c*) facilities for further study when qualifying for Board of Trade Certificates in the various grades or would you leave these to private enterprise in India?

61. Will you please state your views in detail as to the nature of the facilities which should be supplied by Government?

62. Do you consider that the present Engineering and Ship-building firms in India can give sufficient practical training to apprentices to enable them to become efficient Marine Engineers?

63. Are there any schools, colleges or institutes in the ports of India where sufficient theoretical knowledge can be obtained by apprentices to enable them to become efficient Marine Engineers, and if so, are the numbers sufficient?

Recruitment of Indians as Executive Officers and Engineers in the Royal Indian Marine.

The Commissioned ranks of the Royal Indian Marine both in the Executive and Engineering branches are open to Indians provided they have the necessary qualifications. These qualifications are:—

Executive Officers.

Under the rules, as they stand at present, the limits of age for appointment to the junior executive rank of the Royal Indian Marine, *viz.*, Sub-Lieutenant are 17 and 22 years. A Board of Trade Certificate (Second Mate) is not obligatory, but in lieu thereof a candidate must produce evidence of four years' service at sea, or a course in a training ship with subsequent service at sea amounting to four years in all. Candidates must have had sea service outside the Indian Ocean. Preference is ordinarily given to candidates trained on His Majesty's School Ships "Conway" or "Worcester" or at the Pangbourne Nautical College. If a candidate is without a Board of Trade certificate, he is appointed on probation as a midshipman for 18 months in the first instance, during which period he is required to qualify for promotion to the rank of sub-lieutenant. The candidates are selected by a Selection Board appointed by the Secretary of State for India.

The Government of India are now considering proposals for obtaining candidates for the Royal Indian Marine direct from the training ship in future, instead of from the Mercantile Marine Service, and for completing their training in India.

The "Worcester" is at present the only training establishment which is prepared to take youths from this country and that only to a limited extent. They would have to join at the age of fourteen.

The Royal Indian Marine being a small service the average entry in each year is only about four.

64. Do you consider the present arrangement adequate or would you recommend some other scheme, such as the establishment of a training ship in India for the Royal Indian Marine or a combined training ship for the Royal Indian Marine and proposed Indian Mercantile Marine? Please state your views.

Engineer Officers.

The qualifications for these appointments are five years service as an apprentice in a recognised Engineering firm or Government Dockyard.

At present there are no Engineering firms or Government Dockyards which can give the necessary training in Marine Engineering as no construction work of sufficient size is undertaken.

It will be necessary, therefore, until a shipbuilding industry is instituted in India or the Royal Indian Marine Dockyard is largely developed, that candidates for Commissions in the Engineering branch of the Royal Indian Marine must be trained in Great Britain.

65. Under these circumstances, do you consider that the Government should give any facilities to enable suitable candidates to serve their apprenticeship?

General.

Postal Subventions.

It has always been an accepted principle that so far as Maritime Services are concerned, the course of the post should follow as far as possible the course of trade. Consequently to secure the maximum economy in carrying mails, steamer services already in existence have been utilised for the purpose. Subsidies are fixed by negotiation or tender based on the regularity and speed of the services and the number of miles combined with the speed has been the determining factor in fixing the rate.

66. Do you accept the above or have you any other views as to how these mail contracts should be arranged?

67. What other conditions, if any, do you consider it necessary or advisable to introduce in mail contracts in the future and with what object?

68. What considerations, if any, do you wish to urge in order to give all steamship companies in India an equal chance of competing for mail contracts?

Indirect Aid.

69. Do you advocate any methods of indirect aid to promote the establishment of an Indian Mercantile Marine? If so, what are they?

Finance.

70. If you have advocated direct or indirect State Aid or assistance, what method or methods can you suggest for the purpose of raising the funds required? Will you give figures in support of your proposals, including the total sum involved?

For the purpose of questions Nos. 1 to 35 "Vessels" should be deemed to mean "self propelled vessels" unless where otherwise expressly stated.

"Actual horse power" should be deemed to mean "indicated horse power" except in the case of turbine engines. In the latter case it should be "shaft horse power" *plus* 10 per cent.

The words "bounty" and "subsidy" have been used in the questionnaire with a strict regard to the literal meaning of these terms. Thus "bounty" should be understood to mean a free gift of money by the State for the encouragement of the shipping or shipbuilding industry, and "subsidy" a payment made by Government for the performance of a specific service such as the conveyance of mails.

Appendix A.

Shipbuilding and Engineering.

1. What kind of ships or vessels do you build, wood or steel, or both ?

2. What is the largest wood ship you have built ?

3. What is the largest steel vessel you have built ?

4. Do you build engines ?

5. What is the largest engine you have built for a vessel ? Give the dimensions and power.

6. Do you build boilers ?

7. What are the dimensions and working pressure of the largest boiler you have built ?

8. What is the area of your shipyard ?

9. How many building berths have you ?

10. What lengths of ship or vessel can you build and launch ?

11. What number of ships or vessels of the sizes stated by you could you build per year with your present plant if the necessary contracts were secured ?

12. What amount of engines and propelling machinery for the number of vessels stated above could you make ?

13. If you could not make all or part of the propelling machinery and boilers could you get it supplied quickly enough to secure the output of vessels *per annum* stated above ?

14. The total tonnage of steamers of the Indian Shipping Companies and shipowners in the Ports of India is stated to be about 140,000 tons gross. Assuming that the replacement of this tonnage takes place every twenty years, what proportion of this replacement could your present plant undertake ?

15. If you saw a certainty of building sufficient ships or vessels of larger size than you can now build, would you enlarge your present shipyard and plant and to what extent?

16. It has been stated that the Mercantile Marine of Japan was 491,258 tons gross in 1906, and that it increased to 841,931 tons in 1914, showing an average increase of 43,834 tons per annum for the eight years. Suppose that the shipbuilders of India had to construct a mercantile marine at this rate, what amount of tonnage per annum would you be prepared to construct?

17. Where do you recommend the placing of a shipyard or shipyards assuming that measures were taken "for the encouragement of shipbuilding and of the growth of an Indian Mercantile Marine by a system of bounties, or other measures"?

18. Can you give the Committee the approximate relative cost of vessels and machinery built in India as compared with other countries?

19. If so, will you state the relative rates paid per hour of the relative trades, and the relative amount of work produced per hour in the various countries including India?

20. Can you give the relative cost in the various countries, of the principal kinds of material that go to make a vessel and her machinery?

21. Will you give the average and maximum number of men you have employed?

(1) Before 1914,

(2) Between 1914 and end of 1918,

(3) Since the beginning of 1919,

giving them under the various headings of staff (in detail), and of their respective trades?

22. Will you furnish statements as to the number and scope of the machines that you have in your works and supply plans of your shipyards, if you have any ?

23. If you have any plans of proposed new shipyards in India, will you supply them ?

Appendix B.

Terms of Reference.

To consider what measures can usefully be taken :—

(1) for the liberal recruitment of Indians as Deck or Executive Officers and Engineers in the Royal Indian Marine ;

(2) for the establishment of a Nautical College in Indian waters for the purpose of training Executive Officers and Engineers of ships ;

(3) for ensuring the entertainment of Indian apprentices for training as such Officers and Engineers, in the ships owned by Shipping firms that enjoy any subsidy or other benefits from Government on any account, and for the creation of an adequate number of State scholarships for providing instruction in the Nautical Colleges and training ships in England, pending the formation of a Nautical College in India ;

(4) for the encouragement of shipbuilding and of the growth of an Indian Mercantile Marine by a system of bounties, subsidies and such other measures as have been adopted in Japan ;

(5) for the acquisition of training ships by gift from the Imperial Government or otherwise, and

(6) for the construction of the necessary dockyards and engineering workshops in one or more ports.

Appendix C.

Forms of State Aid or protection given in various countries for the development of a National Mercantile Marine.

Navigation Bounties.

Austria.

The support given by the Austrian Government to national shipping took two forms :—

(*i*) Bounties to shipping companies which maintained contract, or "conventional" services (including subsidies for postal service). These conventional services included coastal services and river services, besides the East African and Brazilian services.

(*ii*) Bounties given to the "free" mercantile marine, *i. e.*, to vessels not working under contract with the Government.

(*i*) *Conventional services.*—There was in the year 1908 a large increase in the bounties granted to Austrian mercantile shipping, the total for that year rising from £566,500 to £901,458. This increase was accounted for chiefly by the additional subvention of £50,000 to the Austrian Lloyd Company, by new subsidies granted to the Dalmatian and the Brazilian services, and by a large addition to the postal subsidies.

A yearly subvention of £50,000 rising to £62,500 was also granted to the Austrian Danube Steamship Company until 1935 (?). A shipping and postal contract with the shipping company "Dalmatia," was made in December 1910, under which this company was to receive a yearly subsidy commencing at £40,000.

Very little was done by the State for the South American service, which belonged practically to the "free shipping," or lines

which received no regular subventions, only a sum of £33,000 being received as subsidy by the Brazilian service ("Austro-Americana" Line).

(*ii*) *Bounties to free mercantile marine.*—By the Law of February 23rd, 1907, and under the conditions prescribed therein, merchant vessels engaged exclusively in non-subsidised navigation on long voyages or in the larger coasting services received (*a*) a "working" subsidy, and (*b*) a navigation bounty.

The working subsidy for mercantile ships of at least 400 gross tons was granted, if the legal conditions were fulfilled, from the day on which the ship received the authorisation to carry the flag and until the expiration of 15 years from the day of launching. The working subsidy was reckoned according to the age of the ship, and, for ships registered since January 1st, 1907, amounted, in the first three years after launching and for each ton of the gross tonnage, to (*i*) 10 kronen (8*s.* 4*d.*) for merchant vessels of iron and steel, built and completed in Austrian yards since July 1st, 1907; (*ii*) (*a*) 7 kronen (6*s.*) for all other merchant vessels of iron and steel if registered before the end of 1910, (*b*) 6 kronen (5*s.*) if registered after December 31st, 1910; and (*iii*) 6 kronen (5*s.*) for sailing vessels built in national dock yards of wood or mixed materials.

From the commencement of the fourth year these amounts were to diminish by 5 per cent. annually, and from the commencement of the tenth year they were to diminish annually by 10 per cent.

The working subsidy was granted to merchant ships of over 7,000 gross tonnage, but only in the same proportion as to those of 7,000 tons.

The fixed working subsidy for merchant ships registered after January 1st, 1907, was granted for a maximum of 18,000 gross tons (of which 3,000 tons for sailing vessels) in each year.

A navigation bounty was granted for voyages outside the small coasting trade, if the actual cargo carried by the vessel from or to an Austrian port corresponded in general to at least a third of the

net tonnage of the vessel, or to cargo capacity of at least 1700 tons net, and if these voyages were undertaken in the interests of national trade and traffic and not by steamers of one of the regular lines subventioned by the State. This bounty amounted to 10 hellers (1*d.*) per ton of the net tonnage for every 100 sea miles.

Belgium.

Loans to Belgian Shipping Companies.—With a view to assisting and encouraging certain maritime undertakings, a Law of the 18th of August 1907 empowered the Government to subscribe, subject to certain conditions, a total sum of 5,000,000 francs (£200,000) towards the capital of three Belgian shipping companies, the loans being secured by the issue of debentures bearing interest at 3 per cent. and redeemable after twenty years at par of their nominal value.

The three Belgian companies to which this loan was made were:—

(*a*) The "Ocean": a company founded in 1903 and possessing five steamships, supplemented by chartered vessels, trading regularly to certain ports in the Mediterranean.

(*b*) The "Compagnie Royale Belgo-Argentine": a concern founded in 1906 and possessing four steamers, supplemented by chartered vessels, engaged in a service between Antwerp and the Argentine.

(*c*) The "Compagnie Nationale Belge de Transports Maritimes": a company founded in 1889, possessing nine steamships and carrying on a regular service between Antwerp and the Levant.

The conditions imposed on these companies in consideration of the financial accommodation furnished by the Government were that their respective capitals should be increased up to certain

specified amounts, and that the proceeds of the issues of debentures should be applied, exclusively, to increasing their fleets.

The fleets of these three companies, in the order named, were in June 1910, as follows :—

(*a*) 10 vessels, mostly of local construction, varying from 1,100 to 13,000 tons net.

(*b*) 6 vessels, also mostly of local construction, varying from 1,825 to 3,056 tons.

(*c*) 9 vessels of local and foreign construction varying from 1,500 to 3,000 tons.

Subsidies granted to Foreign Shipping Companies.—The Belgian Government in 1886 concluded a convention with the Norddeutscher Lloyd, of Bremen, whereby the company undertook that their line of vessels from Bremerhaven to East Asia and Australia should call at Antwerp, on both outward and homeward journeys. The company, in return, were to receive a subsidy of 80,000 francs (£3,200) per annum, as well as the repayment of all pilot and light dues claimed from the company by the Belgian and Dutch authorities.

In 1889, the Belgian Government entered into a contract with the "Deutsch-Australische-Dampfschiffs-Gesellschaft," whereby the latter undertook that their outward-bound vessels from Hamburg to Australia should call every four weeks at Antwerp, and that their homeward-bound vessels should touch at the same port not less than six and not more than thirteen times in the year. In return for this undertaking, the company were to receive 1,500 francs (£60) for each journey to and from Australia. The vessels of this company are bound to take at least 1,500 tons of cargo at Antwerp on their outward journeys.

By an arrangement concluded as long ago as 1874 with the German "Kosmos" Line, it was provided that the pilot and light dues, both Belgian and Dutch, paid by every vessel of the line

which made the outward voyage from Antwerp to South America once a month and undertook the transport of the mails, should be refunded by the Government to the company. The service has since been increased to two sailings a month.

The amounts paid by the Belgian Government to these three lines in 1911 and 1912 were about £12,000 in all, of which about £5,800 was refund of pilot dues.

The Compagnie Belge Maritime du Congo does not receive any direct bounty but the Ministry of the Colonies undertakes to send all Government officials, whose fares are paid by the Government, and all Government stores for the Congo by this line.

No Postal subsidies are paid by the Belgian Government. The mail steamers engaged in the service between Ostend and Dover are the property of the Government and run in connection with the State Railways.

Chile.

The Pacific Steam Navigation Company, which is one of the largest companies operating under the British Flag and is reported as doing by far the largest shipping business in Chile, was for many years the recipient of a postal subvention from the Chilean Government in return for the maintenance of a fortnightly service between Liverpool, Valparaiso and Callao. The Company has renounced the subvention and in lieu thereof has received from the Chilean Government valuable facilities for discharging cargo at the Government wharf at Valparaiso.

A contract for the free transport of Chilean mails to Liverpool and intermediary ports was signed between the Pacific Steam Navigation Company and the Chilean Government on 25th February 1921. The contract is for a period of 5 years and is terminable at 3 months' notice by either party.

The Company are granted certain privileges in return for carrying the mails such as permission to discharge after the regular hours, to use the Talcahuano dock with a 50 per cent. reduction in price and, to employ the Customs jetty at Valparaiso on payment of the customary fees.

The Chilean Government stipulate that a 25 per cent. reduction should be made by the Company in the fares to Europe of salaried Government officials and of emigrants, whose travelling expenses are paid out of public funds: a similar reduction is claimed on the freight of Government cargo. For the fares of officials from Panama to New York a 15 per cent. reduction is made. The Company will be preferred to others when passages are taken for Government servants and cannot be obliged to transport troops in time of war.

A contract was also signed on December 30th, 1920, for the carriage of Chilean mails to New York and United States Atlantic ports at which Pacific Steam Navigation Company vessels call. According to this agreement, which will remain in force for 5 years from January 1st, 1921, and is terminable at 2 months' notice the Company will be paid 35 cents, United States gold for every 460 grammes of letters and postcards carried and 4 cents for each 460 grammes of other postal correspondence.

This contract was obtained in direct competition with the Grace Line which maintains regular service between Valparaiso and New York.

France.

The first subsidy law in France, that of 29th January 1881, was intended to benefit both shipbuilding and shipping. No substantial results, however, accrued from the large amounts expended largely owing to the almost irreconcilable conflict between the ship-builders and the shipowners. The former accused the latter of absorbing not only the construction bounty but also much of the navigation

bounty by raising unnecessarily the price of domestic built ships.

The operation of the law of 1881 was limited to ten years but was later extended to twelve years. During this period a total of £4,907,920 was paid in bounties to ship-owners, £1,266,320 for construction and £3,641,600 for navigation. Notwithstanding an increase of 187,062 tons in steam tonnage, the total tonnage during the period decreased from 914,378 tons to 895,423 tons. In many cases the higher cost of building ships in French yards more than offset the construction bounty as well as the higher navigation bounty paid to French-built ships.

The law of 1881 granted construction and navigation bounties for vessels built in France and also at half rates for vessels built abroad but registered in France.

The law of 1893 abolished the navigation bounty to all foreign-built ships, to French-built sailing vessels of less than 80 tons gross, and to French-built steamships of less than 100 tons gross. No vessel more than 15 years old could receive a bounty. The rates of bounty were not materially increased, being fixed in 1893 at the following:—for steamers up to 3,000 tons, 1 franc 70 centimes (1*s.* 4½*d.*) per ton and per 1,000 miles run for the first year (with annual reductions of 4 centimes for four years, 8 centimes for the next four years, and 16 centimes for the next four years); for vessels above 3,000 tons, the original amount was to be reduced by 1 centime for every 100 tons or part thereof in excess of 3,000 tons, with a minimum bounty, however, of 1 franc 50 centimes (1*s.* 2½*d.*) up to 7,000 tons. To be entitled to the bounty at all, vessels were required to have a minimum average speed of 10 knots, and they were not to receive the full amount unless their average speed attained 16 knots. For sailing vessels the maximum bounty in the first year was to be the same as for steamships (it decreased with an increase of size of the ships from 600 to 1,000 tons) but the subsequent annual reductions were to be at only half the rates mentioned above.

Notwithstanding the law of 1893 the number and tonnage of

steamers continued to decline. There was, however, a fair increase in tonnage during the last four years of the operation of the Law. Between 1893 and 1901 the total amount paid in construction bounties was £1,870,232, and in navigation bounties £4,171,040.

So far as sailing ships were concerned certain features of the 1893 Law were continued after 1901, £39,235 actually being paid in respect of them in 1913.

The only difference in the law of 7th April 1902, so far as construction bounties were concerned, was that no more than 20 per cent of foreigners could be employed on ships constructed under it. The policy of paying navigation bounties to foreign built ships operating under the French flag was, in effect, reverted to, the bounty taking the form of an equipment bounty based upon the number of days in commission instead of upon the length of the voyage. An additional requirement was that ships should carry between their departure from French ports and their return to them a cargo representing in freight tons at least one third of the net tonnage of the vessels for at least one-third of the voyage. Steamships of French construction had the privilege of choosing for each voyage between the equipment bounty and the navigation bounty.

The law of 1902 was enacted for a period of twelve years and, unlike the two laws preceding it, limited the total tonnage which might benefit and the total amount of bounty which might be granted, the maximum figures being 500,000 gross tons (of which 200,000 tons might be built abroad) and 150,000,000 francs respectively. These limitations resulted in a rush to get first place in the building yards irrespective of the state of the market.

The following rates per day fitted out (with a maximum of 300 days per year) were to be paid under the law of 1902; 5 centimes per net ton up to 2,000 ton; 4 centimes for each additional ton up to 3,000 tons; 3 centimes for each additional ton up to 4,000 tons; and 2 centimes for each additional ton for up to 5,000 tons.

The provisions of this law proved unsatisfactory in practice and further legislation was deemed necessary in 1906.

The law of 1906 provided for "*equipment bounties*" to be accorded to steamships on the French register (wherever built) at the rates per day fitted out of 4 centimes per ton up to 3,000 tons and 3 centimes per ton from 3,000 to 6,000 tons; for sailing vessels the rates were:—up to 500 tons, 3 centimes per ton; 500 to 1,000 tons, 2 centimes; above 1,000 tons, 1 centime. These equipment bounties were subject to certain conditions as to average daily distances traversed, to quantity of cargo carried, and average speed (the minimum being 9 knots per hour). This "*equipment bounty*" was payable in respect of vessels built abroad, if not less than two years old when transferred to the French register. There was no limit under this law as to the number of days in the year for which this bounty could be earned. No bounty was paid on tonnage in excess of 7,000 tons, and there was a twelve years age limit.

Germany.

Bounties granted to particular lines of steamers.—Two German steamship companies, *viz.*, the "German East Africa Line," of Hamburg and the "German Levant Line," of Hamburg received assistance from the State in a form which is equivalent to an indirect bounty. This assistance was given by granting largely reduced rates of carriage by all German State railways to goods exported from inland places of Germany on through bills of lading either to East Africa or to the Levant respectively by the "German East Africa Line" or the "German Levant Line" steamers. The railway portions of these combined land and sea through rates of freight, which were introduced for the "Levant Line" on the 15th June 1890, and for the "East Africa Line" on the 1st April 1895, are understood to have been much lower than those in force for goods sent to German ports for direct exportation by sea.

The rates of the "Levant Line" Tariff were based upon the arrangement made by this company with the German Government for carrying German exports from the interior of Germany to all parts

of the Levant (excepting Tunis and Tripoli), including Malta, Alexandria, the Piræus, Smyrna, all important ports of Turkey, Bulgaria, Roumania (and various stations of the Turkish and Bulgarian railways), and all ports of the Black Sea. Besides being favoured by the reduced sea freights of the "Levant Line" and on the German State railways, goods sent by this company's steamers on through bills of lading profitted also by reduced rates of carriage on the Turkish and Bulgarian lines, if they were destined for stations thereon.

Besides the tariff from Germany to the Levant ports *via* Hamburg, a further tariff to the Levant ports *via* Bremen was introduced on 1st January 1906.

Italy.

The subsidies to shipping granted in Italy before the war fell under two heads :—(*a*) subsidies for maritime, postal and commercial services ; (*b*) Navigation premiums.

(*a*) *Subsidies for maritime, postal and commercial services.*—By a law of June 1910, which was intended as a temporary arrangement to provide for the continued working of the postal services pending a complete re-examination of the whole system, an annual expenditure of £545,000 was authorised.

The "Messaggero" of June 22nd, 1922, published the text of a Bill which has been presented to the Chamber of Deputies of which the following is a summary.

In its present form the Bill provides that Italian steamships laid down in national yards on or before June 30th, 1921, and for which at least half the required material had been collected in the yards on or before April 30th, 1921, will receive a subsidy.

This subsidy will only be granted however on condition that they commence running between July 1st, 1919 and December 31st, 1922.

The subsidy will be granted for two years in respect of journeys from and to Italian ports at the following rates:—

(*a*) For ships commencing running from July 1st to 31st.

3 lire per ton of effective cargo carried 100 nautical miles.

(*b*) For ships which commence running after this date the same subsidy less lire 0.12 per ton, for each month after July 1921.

In order to enjoy the above benefits the ships must belong to Italian citizens, or to companies constituted in Italy with Italians sitting on the Board of Directors.

Furthermore, they must be entered in No. 1 class of the Italian Naval Register which must be kept up for five years from the date of the granting of the certificates.

The subsidy is only admitted in respect of ships which travel beyond Gibraltar, Perim or the Dardanelles.

A clause is provided stating that ships thus subsidised may not be requisitioned either by the civil or the military authorities.

Certain subsidies are also provided for passenger cargo ships commencing to run on or before 31st December 1923, and passenger ships on or before 31st December 1924.

The Italian Government have entered into an agreement with the Societa Coloniale per L'Africa Occidentale for the maintenance by the latter of a quarterly steamship service between Italy and the West Coast of Africa. The minimum itinerary for this service does not include any British ports but goes from Genoa *via* Marseilles

and Lisbon to Dakar, Matadi, and a port in Angola. Among the ports which the service may embrace at the option of the company are Freetown, Accra and Lagos.

The ships must fly the Italian flag, be of 2,000 tons dead weight and a speed average of 8 miles an hour. These vessels will be required to carry free of charge all postal matter.

As regards freights and tariffs it is laid down that the freights for goods must never exceed those of competing services. The fares for 'emigrants' and "workmen's families" are to be agreed upon or fixed by the Commissioners for Emigration. Provision is also made for the free carriage of a certain quantity of commercial samples each voyage and also for free passages for Italian commercial travellers to the extent of not more than two each trip, and of officials sent abroad by the Government or Royal Institutes for scientific or commercial purposes with the same limits. The company are also required to give Government goods a reduction of 30 per cent. on current freights.

The subsidy to be paid is at the rate of 500,000 lire per annum and the period of the agreement is for ten years. The original agreement was signed on May 16, 1920 and was approved by a Ministerial decree of November 4th, 1920.

The avowed object of this new service under subsidy is that "the moment" is opportune for Italian commercial penetration into certain regions of West Africa."

Japan.

Bounties of Navigation.—Until the end of 1909 subsidies were paid to vessels trading between Japan and foreign countries, or between foreign ports, under the Navigation Encouragement Law of 1896. In January 1910, however, the Ocean Lines Subsidy Law came into force abolishing the Navigation Encouragement Law, with a proviso that ships receiving subsidies under the old law might

continue to do so until the expiry of their contracts in 1914, but that in such cases they could not subsequently benefit under the Ocean Lines Subsidy Law. This new law is only applicable to the lines to Europe, Australia, and North and South America.

Subsidized lines running between ports in Japan and the neighbouring islands are under the control of the local authorities.

Extracts from the "Navigation Encouragement Law," 1896.

Article I.—Under the provisions of this law navigation subsidies may be paid to Japanese subjects or to commercial firms, the members and shareholders of which are all Japanese subjects, which engage in the transport of goods and passengers between Japan and foreign ports with vessels borne on the Japanese register which are their exclusive property, in respect of such vessels.

Article II.—Vessels which are to receive navigation subsidies under this law must be steamships built of iron or steel with a gross tonnage of not less than 1,000 tons and a maximum speed of not less than 10 knots, which conform with the shipbuilding regulations laid down by the Minister of Communications.

Article III.—The owners of vessels wishing to receive navigation subsidies must obtain beforehand the sanction of the Minister of Communications in respect of their vessels.

Article IV.—The following vessels cannot receive navigation subsidies :—

(1) Vessels built abroad which are five years old at the time of their entry on the Japanese register subsequent to the enforcement of this law.

(2) Vessels built more than 15 years ago.

(3) Vessels used on services under the order of the Japanese Government.

Article V.—Navigation subsidies will be paid at the rate of 25 sen (6*d.*) per 1,000 knots navigated per ton of the gross tonnage in respect of vessels having a gross tonnage of 1,000 tons and a maximum speed of 10 knots per hour. For every additional 500 tons gross tonnage an additional 10 per cent. and for every additional knot per hour maximum speed an additional 20 per cent. will be paid. However, in respect of vessels exceeding 6,500 tons gross tonnage or 18 knots per hour maximum speed, subsidies will be paid at the rates for vessels of 6,000 tons gross tonnage and 17 knots per hour maximum speed.

Navigation subsidies will be paid in full in respect of vessels less than five years old; for vessels more than five years old a reduction of five per cent. will be made for each year.

For vessels built abroad, which were entered on the Japanese register subsequent to 1st October 1899, half the amount of the navigation subsidy to be paid under the provisions of the two preceding paragraphs shall be granted.

In calculating navigation subsidies fractions of a ton or knot shall not be included.

Article VI.—The distance navigated shall be calculated according to the shortest route between the various ports.

As regards vessels calling at Japanese ports and leaving for foreign ports, the last port of call shall be treated as the starting-point, and as regards vessels sailing from abroad and calling at Japanese ports, the first port of call shall be treated as the terminus, in calculating the distance navigated.

As evidence of the distance navigated the certificates of call given by the authorities of the ports called at must be produced.

Article VII.—The Minister of Communications may, by issuing instructions and granting a suitable sum of money, use for the public service vessels which have received the sanction mentioned in Article III.

Owners of vessels may, when they are dissatisfied with the amount of the grant mentioned in the preceding paragraph, bring an action in a court of law within three months from the date upon which they received notice thereof.

The action mentioned in the preceding paragraph does not suspend the use (of the vessel).

Article VIII.—Owners of vessels which have received the sanction mentioned in Article III shall, in accordance with instructions from the Minister of Communications, take on board those vessels at their own expense apprentices within the following proportions and shall make them allowances as determined by that Minister :—

Between 1,000 and 2,500 tons gross tonnage .	2	apprentices.
Between 2,500 and 4,000 tons gross tonnage .	3	,,
Above 4,000 tons gross tonnage . . .	4	,,

Article IX.—Unless the permission of the Minister of Communications has been obtained, owners of vessels which have received sanction mentioned in Article III, cannot employ foreigners as officials in their head or branch offices, or on the staff of those vessels. However, should a vacancy in the staff of a vessel occur abroad, owing to death or some other unavoidable circumstance, it may be filled on obtaining the official recognition of the local authorities. In such cases the owners or master of the vessel in question must immediately apply for the permission of the Minister of Communications.

Article X.—In cases where the owners of vessels, which have received the sanction mentioned in Article III, make voyages and receive navigation subsidies, they shall, in obedience to instructions received from the Minister of Communications, carry post office official on those vessels free of charge, and convey free of charge by those vessels, mail and parcel post matter, and articles required therefor.

Article XI.—Owners of vessels which have received the sanction mentioned in Article III, and their successors, may not, while they

are performing voyages and receiving navigation subsidies, nor within a period of three years from the date of completing such navigation, sell, loan, exchange, give, hypothecate or mortgage those vessels to foreigners. However, this restriction does not apply when the navigation subsidy already received in respect of the vessels has been refunded, or when navigation could not be continued owing to natural calamity, or other irresistible compulsion, or when the permission of the Minister of Communications has been obtained.

Article XII.—With regard to matters pertaining to the duty of the shipowner under this law, the Minister of Communications may issue instructions direct to his representative or to the master of the vessel.

Article XVII.—When a shipowner has broken this law the Minister of Communications may suspend the grant of navigation subsidies. The same applies in cases coming under Article XII, when a representative or master has committed the infraction.

Article XVIII.— The penal clauses of the preceding Articles, as regards commercial companies, are applicable to the members of the company or the directors who are responsible for the commission of the acts mentioned in those clauses.

Article XIX.—This law shall come into force on October 1st, 1896 for a period of eighteen years.

Extracts from the "OCEAN LINES SUBSIDY LAW," 1910.

Article 1.—The Minister having control (*i.e*, the Minister of Communications) is given power to grant a subsidy to Japanese subjects, or companies consisting solely of Japanese subjects, and during a period not exceeding 5 years make them maintain a service on the following four routes.

However, the consent of the Diet must be obtained to the amount of the subsidy and the period.

(1) European Route.

(2) North American Route.

(3) South American Route.

(4) Australian Route.

In this law the term "subsidized services" means the services according to the preceding article.

Article 2.—Vessels must be over 3,000 tons gross, and 12 knots speed, and less than 15 years old.

Article 3.—Foreign-built vessels cannot receive this subsidy. This does not apply to vessels which have been on the Japanese register for not less than 5 years and for which the consent of the Minister of Communications has been obtained.

Article 4.—The subsidy shall be given, according to the conditions of the route, at a rate, of not more than 50 sen (1*s.* 0½*d.*) per ton of gross tonnage for every 1,000 miles traversed at a speed of 12 knots and for every extra knot the sum given will be increased by not more than 10 per cent. The subsidy will be reduced by 5 per cent annually after 5 years. When foreign built vessels are used half of the above mentioned sum is to be given. When vessels have been built according to special official orders or are employed on a route not yet opened for 5 years, the sum may be increased by not more than 25 per cent.

Article 5.—Passenger rates and rates of freight must be arranged with consent of Minister of Communications.

Article 6.—Subsidized ships must carry postal matter free install wireless telegraph apparatus and carry free of charge any officials sent on special duty by the Minister of Communications.

Article 7.—Proper steps must be taken for maintenance of fixed routes.

Article 8.—Subsidized ships must take a certain number of apprentices in proportion to their size.

Article 9.—Foreigners may not be employed by companies carrying on subsidized navigation except with consent of the Minister of Communications. This does not apply when vacancies, caused by death of crew, occur at a foreign port.

Article 12.—Vessels which are, or have been, subsidized may not be sold, chartered or mortgaged to a foreigner during three years from their last subsidized voyage. But this does not apply where the subsidy is returned, or where special circumstances arise, or the consent of the Minister of Communications has been obtained.

Article 13.—The Minister of Communications shall decide matters relating to the terminal points and ports of call; the number, tonnage, speed and age of vessel to be used; the number of voyages to be made and the time to be occupied; the method of giving the subsidy; and all matters relating to the reduction, suspension or return of the subsidy in consequence of non-fulfilment of obligations.

Article 14.—The Minister may give orders directly to the Agent or Captain in connection with matters relating to such obligations.

Supplementary Regulations.

This law shall be enforced from January 1st, 1910. The Navigation Encouragement Law shall be abolished. But ships which, at the time this law comes into force, are entitled under the Navigation Encouragement Law to a subsidy, or are being built with a view to enjoying that subsidy, may receive it until 30th September 1914. But vessels which have taken advantage of the preceding clause to enjoy the old form of subsidy cannot benefit by the new one.

The provisions of Article 4 do not apply to foreign-built vessels which were on the Japanese Register before 30th September, 1899.

Holland.

An Act of 30th July, 1921, sanctioned the grant of a subsidy to the Holland-South Africa Line.

The amount of the subsidy is Fls. 1,000,000 per annum for a period of 5 years and the following are the main conditions attached to the grant :—

A.—The number of voyages shall be not less than twelve per annum but after the lapse of 5 years the number shall be twenty-four per annum.

B.—The route to be followed shall be—

Outwards :—

$\frac{\text{Amsterdam}}{\text{Rotterdam}}$ Capetown—Durban.

Return :—

Durban—Capetown $\frac{\text{Amsterdam}}{\text{Rotterdam}}$.

C.—The Captains First, Second, etc., Officers and Engineers shall be subjects of the Netherlands, unless exemption from this rule be granted by the Minister.

D.—The Company shall be obliged to carry mails and postal packets.

E.—Should the profits of the Company in any one year amount to more than six per cent. the surplus shall be paid over to the State as interest on the unredeemed portion of the subsidy. The rate of interest will be five per cent. per annum.

F.—Any remaining surplus after the said provision for interest has been met shall be allocated as follows :—

One-half towards redemption of the subsidy.

One-half to be divided amongst the shareholders.

G.—The following fines shall be imposed on the Company in the event of the conditions of the subsidy not being fulfilled :—

(1) For every voyage short of the number laid down under condition A as above—Fls. 50,000.

(2) For each omission to call at one of the ports mentioned in the plan of route—Fls. 10,000.

(3) For every voyage made with a steamship not registered at Loylds, the Bureau Veritas of the Netherlands Underwriters' Association—Fls. 5,000.

H.—The Company shall have its domicile in the Netherlands and the Directors and Managers shall be subjects of the Netherlands unless special exemption be granted by the Minister.

I.—No debentures may be issued by the Company unless with the consent of the Minister of Agriculture, Commerce and Industry.

J.—The Service shall be opened within a period of six months subsequently to the ratification of the agreement.

The main objects connected with the grant appear to be :—

1. To establish a direct line of cargo steamers between Holland and South Africa and thus extend the trade connections with that country.

2. To enable the Company to compete with British lines engaged in the cargo carrying trade between Europe and South Africa.

Spain.

Bounties on general navigation.—No system of direct bounties to Spanish shipping existed prior to the year 1909; in that year there was enacted a law known as the "Ley para el fomento de las industriasy comunicaciones maritimas nacionales" (Law for the development of national maritime industries and communications). The following are its chief provisions:—

(*i*) National steamships engaged in oversea and "coastwise" trade (the latter term including voyages between Spanish ports and those of the rest of Europe and of Africa situated in the Mediterranean) are to receive navigation bounties amounting in the first case to 40 centimos (4*d*) and in the second to 50 centimos per gross ton and per 1,000 miles navigated. In order, however, to be entitled to these bounties, ships must fulfil certain conditions, of which the most important are:—(*a*) the entire crew shall be Spanish; (*b*) Spanish mails shall be carried free of charge; and (*c*) the average amount of cargo carried throughout the year shall not be less than 50 per cent. of the ship's maximum capacity, and of this 50 per cent. three-fifths shall consist exclusively of national products carried in the export trade.

No one ship may receive during any one year bounties for more than 20,000 miles navigated in the coastwise trade, nor for more than 30,000 miles, navigated on the high seas. The total liability of the Government under this heading is limited to 2,900,000 pesetas (equivalent at 25 pesetas to the £ to £116,000.)

(*ii*) A further series of bounties is granted according to a somewhat complicated scale, which may be summarised as follows:—

(*a*) A bounty of 60 centimos (6*d*.) per ton and per 1,000 miles navigated is paid in respect of vessels which attain an average annual speed of ten knots and made twelve voyages during the year from a port on the north, north-east, east or south coasts of Spain to Brazil, Uruguay, and the Argentine, and call at the Canaries. The total

amount of bounty payable by the Government to vessels of this group is limited by the law to 670,000 pesetas (£26,800).

(*b*) A bounty at the rate of 80 centimos (8*d.*) per ton and per 1,000 miles navigated is granted in respect of ships which attain an average annual speed of 11½ knots, and make twelve voyages during the year from a port on the south or east coast of Spain to the Adriatic, to the Black Sea or to the Sea of Azof. The same rate of bounty is granted to vessels of the same average speed which maintain throughout the year a weekly service between a port on the South or east coast of Spain and Algiers. The Government's total annual liability to vessels included in these groups may not exceed 380,000 pesetas (£15,200).

(*c*) The rate of bounty is raised to one peseta (9 3/5*d.*) per ton and per 1,000 miles navigated in the case of vessels whose average speed is 13 knots, and which maintain a monthly service between ports on the north and north-east coast of Spain and New York and Havana. The total liability of the Government under this heading is limited to 950,000 pesetas (£38,000).

The same conditions with regard to nationality of the crew and carriage of mails as were stated above under (*i*) must be fulfilled by ships claiming the above bounties. They are also required to maintain throughout the year an average of Spanish exports amounting to 40 per cent. of their maximum capacity and of imports to Spain amounting to 33 per cent. of their maximum capacity. These figures are reduced to 33 per cent. and 25 per cent. respectively, in the case of steamship lines which have been in existence less than two years.

(*iii*) The total annual liability of the Government in respect of navigation bounties of the two above classes combined is limited to 4,900,000 pesetas (£196,000). No statistics are, however, available with regard to the bounties actually paid by the Government under the provisions of the law.

Subventions for special Services.—Under the same law of 1909, regulations were introduced for the establishment of regular services by the Spanish mercantile marine between Spain and various parts of the world. The lines engaged in such services hold a Government contract and enjoy subventions calculated according to average speed and to the number of miles navigated. All ships so engaged fulfil certain conditions of which the following are the most important:—(*a*) free carriage of mails and the precious metals destined for conversion into coinage; (*b*) carriage at special rates of official passengers and cargo; (*c*) liability to serve as auxiliary cruisers in case of war; (*d*) ships fitted to engage in the emigrant traffic must compete with their foreign rivals and must give special facilities for the transport of emigrants to the Spanish possessions in Africa and to Morocco; (*e*) a scale of fares. 30 per cent. lower than the ordinary tariff, must be established for commercial agents and official commissioners sent abroad by the Government to attend exhibitions, etc.; (*f*) ten free passages to America must be allotted to the Ministry or Public Instruction for Commissioners sent abroad on missions of national utility; (*g*) preference must be given to Spanish foreign merchandise at all ports of embarkation; (*h*) all freight tariffs must be approved by the Government before being put in force; (*i*) free carriage must be provided for patterns, samples and objects destined either for Spanish commercial museums or for exhibitions held abroad; (*j*) all vessels receiving a subvention must be the property of Spanish citizens, must fly the Spanish flag and be registered in Spain; (*k*) crews must be entirely Spanish; and (*l*) ships' provisions and stores shall be embarked, so far as possible, in Spanish ports and shall consist of Spanish products. When coaling in Spanish ports, at least two-thirds of the coal embarked must be Spanish.

United States of America.

The United States have since the early part of last century reserved their coasting trade to vessels flying the United States flag. This regulation was relaxed during the War but in 1920 the principle was once more re-enacted.

The United States Shipping Board, which was appointed under the Merchant Marine Act, 1920, consists of seven members appointed by the President through the Senate, and its duties are to manage or sell the shipping constructed by the United States during the War, and to make recommendations for assisting United States shipping in general. The Board have powers to insure, out of their profits, any interest of the United States on any vessels or plants and materials acquired by the Board. Further provisions of the Act are that the system of "Deferred Rebates" is forbidden to shipping lines, and that preferential railway rates may be granted only to United States vessels, unless adequate shipping facilities are not granted by United States vessels.

The Ship Subsidy Bill, which is at present before the United States' Senate, proposes further to aid United States' shipping as shown below.

Indirect Aid.

Income Tax Relief.—(*a*) In order to create an incentive for shippers to use American flag ships and as a stimulus to foreign trade, a deduction from net Federal income-tax payable should be allowed on the basis of a small percentage, say five per cent. of the freight paid on goods imported or exported in American flag vessels. This deduction, in time, might amount to eight or ten million dollars per year.

(*b*) Through co-operation with the Treasury Department and by legislation a greater allowance for depreciation for income-tax purposes should be made on ships, in order to make the depreciation allowance more accurately represent the actual depreciation of vessels and to give effect to the marked slump in the value of tonnage during the past several years.

(*c*) Section 23 of the Merchant Marine Act should be amended so that the payment of all income-taxes (which would otherwise be payable on net earnings of vessels in foreign trade) shall be waived

by the Government, when the amount of such taxes is applied to half the cost of new ship construction, increasing same from one-third as at present.

Immigration—Through co-operation with the Bureau of Immigration of the Department of Labor, regulations should be prescribed and legislation enacted that would assure to American flag passenger ships at least 50 per cent. of the immigration coming to this country.

Government Patronage of American vessels.—To increase the revenues of American vessels and to furnish an example for all American citizens to follow in giving preference to American vessels, legislation should be enacted that will prohibit hereafter the overseas transportation of passengers or freight at the expense of the Government, other than in a vessel flying the American flag, unless suitable and convenient transportation by an American vessel is not obtainable.

The Army Transport Service.—Based on current commercial rates, and on the volume of passenger and cargo movement for 1921 on Trans-Pacific traffic alone, the total charge for transporting Government passengers and cargo by commercial vessels would be, approximately, $7,500,000 per annum. There can be no economic justification for the withholding of this business from Shipping Board ships which are available or from privately owned ships. The withdrawal of the army and the navy transport services, which the President should be authorised to effect by Executive Order in whole or in part, will materially reduce the operating losses of the Shipping Board. It is estimated that during the first year the diversion of this traffic to Trans-Pacific Shipping Board lines would result in increased net earnings to the Shipping Board of approximately $5,000,000. This business would be an impelling inducement to private owners to purchase at a fair valuation the Shipping Board passenger cargo vessels adapted for this service.

Direct Aid.

Manner of applying direct aids.—The following fundamental considerations should govern the application of direct aids.

Direct aid should be given to all vessels of the United States of over 1,500 gross tons making voyages of more than 150 miles length in the foreign trade of the United States, whether propelled by sail, steam or other motive power.

Direct aid should be given only to vessels under American registry at the time the Act goes into effect and, thereafter only to ships built in American yards.

Direct aid should be given only to vessels maintaining the highest classification fixed by the American Bureau of shipping.

The provisions of direct aid shall not apply to any vessels except those in the foreign trade as defined in the proposed legislation. This eliminates two very considerable groups of American ships—those engaged in coastwise trade and those plying the waters of the Great Lakes.

Tramp ships receiving direct Government aid must enter and clear from a port of Continental United States at intervals not greater than twelve months, and direct aid should not be paid to American flag ships engaged in liner services exclusively between foreign ports, except ships operated in feeder services to regular liner services in the direct trade of the United States.

Direct aid should be paid to a ship exclusively or largely engaged in carrying the cargo of its owner only when one-third of its cargo capacity is available to the general public at the current market rates.

It should be provided that three years after the passage of the proposed legislation the benefits of direct aid shall accrue only to a vessel the owner of which, during each calendar year shall have operated as owner, charterer or agent not less than 75 per cent. of his vessels, based on gross tonnage, under the American flag.

Limitation of profits.—Any plan for the support of the American merchant marine should provide aid when aid is necessary and be flexible enough to withhold aid, in whole or in part, when shipping companies earn more than 10 per cent on their capital invested in ships and facilities—thus answering the charge that the direct aid might result in profiteering.

So far as possible, it is desirable to obtain the assistance necessary to establish an American merchant marine by indirect methods as herein proposed. However, it is evidently impossible exactly to valuate the effect of these indirect aids, as it is impossible exactly to foretell the effect of a new tariff bill. Since it seems necessary to provide in addition to the indirect aids, specified direct aid, the compensation should be paid as earned but made subject to adjustment and refund to the United States, should the experience of any owner during any year prove the direct aids to be unnecessary to permit him to earn an adequate return on his invested capital. By adequate return is intended one that is sufficient to make the shipping business an attractive one, giving play to initiative and to draw to it the capital necessary for its development.

Basic Differential.—Several methods of computing this differential suggested themselves and were considered.

It is recommended that the direct aid be computed on a differential based on a combination of speed, tonnage and distance covered.

By this method there is combined in one provision the direct aid to be paid to a vessel. The basic idea is that the aid paid to the ship must be measured by her actual service in the foreign trade and her possible value to the country as a naval auxiliary. For this reason the compensation is made to vary with the size of the ship and the distance covered in the foreign trade, with an additional allowance for speed.

For speeds up to 13 knots on light draught the rate per ton per 100 miles is constant.

Beginning with 13 knots, the rate increases rapidly, thus plac-

ing a premium upon speed. The reason for adopting this premium is to encourage the building and operating of high speed vessels suitable for carrying the mails and for use as naval auxiliaries, and to compensate for the increased cost of such construction.

Following is the form proposed for the application of the differential payment at the various rates.

Every vessel of the United States entitled to direct aid shall receive a sum equal to one-half per cent. gross ton for each 100 miles covered.

Because of the greater differential in small units, both in initial and in operating cost between American and foreign tonnage, vessels of between fifteen hundred and five thousand gross tons shall, for the purpose of determining the amount of aid to be paid under this legislation, be figured as of five thousand tons gross.

Such vessels, if capable of operating at a speed of 13 knots or over when on light draught, shall be entitled to additional aid per 100 miles covered, as follows :—

13 knots	·2 cents per gross ton.
14 „	·3 „ „ „ „
15 „	·4 „ „ „ „
16 „	·5 „ „ „ „
17 „	·7 „ „ „ „
18 „	·9 „ „ „ „
19 „	1·1 „ „ „ „
20 „	1·3 „ „ „ „
21 „	1.5 „ „ „ „
22 „	1·8 „ „ „ „
23 and over	2·1 „ „ „ „

It is estimated that the total annual expenditure for the differential payments for the entire American merchant marine in foreign trade, five years hence, when it is expected that the fleet will have symmetrically developed to a total of 7,500,000 gross tons, which it is estimated would be capable of carrying about one-half of the exports and imports of the country, will be not in excess of $30,000,000. For the first year, it is estimated that the annual expenditure for the existing fleet will not be in excess of $15,000,000; and this annual amount will increase gradually as the results of a national policy of encouragement to shipping are realized and improved types of new steamers are completed and commissioned.

Postal Earnings.—Any vessel enjoying the benefit of direct aid shall relinquish to the Merchant Marine Fund the compensation earned for the carriage of all first and second class foreign mails from the United States. With this object in view the Postmaster General is to pay such earnings, which now amount to about $4,000,000 per annum, into the Merchant Marine Fund instead of to the vessel.

Customs receipts.—The fund for the payment of direct aid should be created by diverting 10 per cent. of the customs collections on all imports into a special fund to be known as the Merchant Marine Fund, to be administered by the Shipping Board for the purpose of paying the compensation to American ships on the basis adopted.

It is estimated that for the fiscal year 1922-23 the customs receipts will amount to about $300,000,000; 10 per cent. thereof would be $30,000,000.

Tonnage taxes.—This fund should be augmented by adding thereto the tonnage taxes collected in American ports from all ships, American and foreign. These tonnage taxes for the ensuing fiscal year it is estimated will be $2,000,000 on the present basis, but if the increase in tonnage dues proposed under the pending measures is made effective the collections would probably amount to $4,000,000.

British Dominions.

(1) *Refrigerated Space.*—The Dominions export quantities of produce which require refrigerated holds for transport overseas. In the Australian contract of 1921 with the Orient Steam Navigation Company, 2,000 tons of 40 c.ft. ton capacity is called for in each vessel, in the New Zealand 30,000 c.ft.; in the South African contract up to 18,000 c.ft., and more has to be provided, upon due notice being given if reasonably required; in the Canada-South Africa contract, 200 tons etc.

(2) *Control of Freights, under Subsidy Contracts.*—Certain rates for refrigerated produce are fixed in the New Zealand and South African contracts, and in the case of New Zealand for other goods, *e.g.*, wool and hides and for general cargo. In the case of the Australian contract of 1921, it is provided that no higher rates of freight for butter or fruit than the current ruling rates shall be charged.

As regards Canada, however, the steamship lines receiving subsidies are subject to complete control as regards freights of all kinds. They are required to submit their rates to the Minister of Trade and Commerce for approval and further, the Minister has power to fix maximum rates for all classes of cargo.

(3) *Speed and Type of Ship*—The time allowed for runs between the terminals in the mail services is specifically laid down, and penalties are imposed for any extra time taken unless good reasons are forthcoming. The actual ships to be employed are often specified and under the contract, the Company usually has to undertake to provide additional new vessels for the service.

(4) *Rebate System.*—Under the South African contract, the Union Castle Company must conform to the P. O. Administration and Shipping Combinations Discouragement Act, 1911, and not be a party to any rebate system. This condition does not appear in other contracts.

(5) *Discrimination.*—It is expressly laid down in these contracts (except in the South African) that there shall be no discrimination

against any particular port, merchant or shipper in the particular Dominion, nor as between large and small shippers.

(6) *Freight Space.*—In some cases this is reserved, in the first instance, for the shippers of the particular Dominion paying the subsidy.

There are numerous other clauses in particular contracts designed to assist in developing the trade of the particular Dominion, *e. g.*, in South Africa, the Company must import pedigree live stock freight free and undertake to export 50,000 tons of coal in excess of their steamer's requirements provided the price does not exceed a certain limit (based on pre-war prices). In Canada, also, opportunity is taken to assist the National Railways by providing that goods must be forwarded by them unless otherwise consigned.

Australia.

The subsidies to shipping companies paid by the Commonwealth of Australia in respect of mail services may be divided as (*a*) Ocean and (*b*) Coastal.

(*a*) *Ocean.*—The only subsidy paid is to the Orient Steam Navigation Company. Under the original mail contract, which came into operation in February 1910, for a period of ten years and which was extended to September 1921, the Company undertook to provide a fortnightly service in return for an annual subsidy of £170,000. Under the new contract which was signed in April 1921, and came into operation in September or October 1921, the Company are to provide a four-weekly mail service both ways between a South European port (Toulon or possibly Marseilles) and Fremantle. The main cond tions are :—

(1). The amount of the subsidy is £130,000 per annum (*i. e.*, on the basis of £5,000 per single voyage). The agreement is determinable at the expiration of twelve months after notice has been given by either party.

(2). The contract time for the outward voyage to Fremantle is 632 hours (26 days, eight hours) and homeward 644 hours (26 days, 20 hours), including the stop at Colombo. During the S. W. Monsoon an extension of 36 hours is allowed on the homeward run.

(3) The voyage, however, is to be extended to the United Kingdom at the one end and to Adelaide, Melbourne, Sydney, Brisbane, and Hobart at the other.

(4) Each mail vessel is to have 2,000 tons of 40 c. ft. of insulated space and also a special chamber for butter if 300 tons in the aggregate are offered for shipment. The rates for butter and fruit on mail vessels are not to be higher than those charged or received (after deduction of all rebates allowed or allowable) for the carriage of butter or fruit on other lines or steamships regularly engaged in the trade in question.

(5) No differentiation as between any ports of call within the Commonwealth shall be made in respect of freight, exclusive of special charges, "unless at the time being there is in operation a freight war which shall not have been entered upon with the consent of the steamship company".

(6) If earnings are decreased or expenses increased by not less than £5,000 per annum, on account of new Commonwealth shipping legislation, the Company have the right to determine the Agreement unless the subsidy is increased.

(7) The Company are not to give any undue preference to any foreign company or person in regard to the conveyance of or the rates to be charged for persons or goods by the ships in question as against persons resident within the British Dominions.

(8) Delays or other failure to fulfil the conditions of the contract involve forfeiture of certain sums.

(*b*) *Coastal.*—There are several subsidised coastal mail services, (*e. g.*, to and from the northern ports of Queensland, weekly, £20,000 per annum) and also between Australia and Tasmania.

The total of the subsidies paid by Commonwealth Postal Department during 1918–19 for coastal services was £50,035. In many cases the coastal mails are carried at poundage rates and the total payments in this way during the same year were £77,877.

(*c*) *Other subsidies.*—In addition to the purely local services, two other routes are subsidised though the amounts are apparently not borne on the Post Office vote. These are :—

(1) Services from Sydney to the Pacific Island (Norfolk Islands, New Hebrides, Papua, Solomon Islands, etc). This is borne on the vote of the Prime Minister's Department "Mail Service to Pacific Island" and amounted to £35,000 in 1917–18 and £28,800 in 1918–19,

(2) Service from Sydney to Singapore *via* Queensland Ports, Darwin, Timor and Dilly—alternate trips—Monthly service.

New Zealand.

Subsidised Sea Mail Services.

(*a*) *Ocean.*

The following ocean mail services maintained by the Union Steamship Company of New Zealand are subsidised by the New Zealand Government.

(*a*) *New Zealand to San Francisco.*—The contract signed, in 1914, provides for a four-weekly service between Wellington and San Francisco calling on outward and homeward voyages at Raro-

tonga, and Papeete in return for an annual subsidy of £25,000 in proportionate instalments for each round trip. The call at Papeete can be omitted if the Government of Tahiti do not pay a subsidy.

Among the conditions attaching to the contract are the following:—

(1) The *s. s*, Tahiti (7,585 gross, 17 knots), "Moana" (3,915 gross, 15 knots) and "Aorangi" (4,268 gross, 14½ knots) were originally to perform the service, the two latter to be replaced by end of 1915 by two other vessels of "larger size and improved design," but no doubt the war prevented this. The service is now carried on by the "Moana" and "Tofua" (4,345 gross, 14½ knots).

(2) The Company to extend their service, if desired to Sydney, and they are at liberty to enter into a contract with the Australian Government in respect of this part of the service. [The service has been extended, but no Australian subsidy is paid, mails being forwarded by this rout from Sydney at poundage rates.]

(3) So long as no Australian subsidy is paid, New Zealand shippers have first refusal of all freight space; and all cold storage space (of which up to 30,000 c. ft. is eventually to be provided in each vessel) is reserved for New-Zealand shipments for practically all the year though the portion not booked a month before the vessel leaves Sydney shall be available for other shippers (*i. e.*, in Australia). No undue preference to be given to any individual shipper.

(4) Certain maximum rates are fixed in the contract both for passengers and cargo of various kinds, both to and from San Francisco. Under the contract these rates may be increased if normal conditions are disturbed and the following rates were in operation in April 1921:—

Wellington to San Francisco:—Wool (greasy), 2*d.*; wool scoured, 2½*d.* per pound; fibre, 60 per 40 c. ft.; butter 1*d.* per pound; meats 1½*d.* per pound. Cargo not otherwise specified, including skins, 80 to 100 shillings per ton weight or measurement at ships' option.

Passenger rates in force since 1920:—

	Single.			Return.		
	£	*s.*	*d.*	£	*s.*	*d.*
First	50	0	0	83	6	8
Second	33	10	0	55	16	8
Third	22	10	0	37	10	0

No discrimination to be shown against any New Zealand port, railway or shipper.

(5) The Company is to furnish, as required, full details of passengers and cargo carried, etc.

This contract was in force for 5 years from 1914. It was renewed in 1919 till July 1920 and was renewed further until July 1922. The mileage for the complete round voyage is 12,180 miles, and the cost has hitherto been 3*s.* 1·89*d.* per mile.

(*b*) *New Zealand to Vancouver.*—The contract made in July 1912, provides for a four-weekly service from Auckland to Vancouver *via* Suva (Fiji), Honolulu and Victoria in return for an annual subsidy of £20,000. The main conditions are as in the New Zealand-San Francisco contract above. The service was to be maintained by the Makura (8,075 gross, 16½ knots,) Marama (6,437 gross, 16 knots) and Zelandia. The Niagara (13,415 gross, 17 knots) and Makura are now on this service. Accommodation to be provided for 130 passengers. Only outward maximum freights are imposed and these are now the same as on the Wellington to San Francisco service. The service is also subsidised by the Fiji Islands (£5,000 per annum) and the Canadian Government (£37,090,182 per annum).

(b) Coastal.

In addition to the ocean services, some 22 coastal mail services are subsidised by amounts varying from £1,000 to £25 and amounting in all to £4,842.

During the year 1919-20, the amount paid for conveyance of mails by sea was £53,811-15-3, but presumably this included payments for the mails carried at poundage or postal union rates. At present mails for the United Kingdom are despatched by the subsidised services as above or by the services *via* the Panama Canal if "a better despatch can be made".

South Africa.

The only mail steamship service which is subsidised is that between the United Kingdom and South Africa. The contract, signed in September, 1912, provided for weekly service each way between Southampton and Table Bay *via* Madeira, by the United Castle Mail Steamship Company, Limited. The length of voyage is not to exceed 16 days 15 hours, either way. The annual subsidy is £171,000, of which £21,000 is in consideration of the mail steamers commencing and terminating their voyages at Durban instead of Cape Town. The Government may require the voyage to be done in 16 days on payment of an additional subsidy of £19,000. The Agreement was in force for ten years from 1912 and expires on 12 months' notice from either side in or after 1922. Although the contract is administered by the Union of South Africa, the cost of the service appears to be divided between the United Kingdom, the Union of Southern Rhodesia and the Bechuanaland Protectorate on the basis of user. Apart from those relating to the actual mail service the following important clauses appear in the contract—

(1) The Contractors shall observe the Post Office Administration and Shipping Combinations Discouragement Act, 1911, and in particular they shall not give, offer or promise to any person any rebate, refund, discount or re-

ward upon condition that such person shall ship or in consideration of such person having shipped goods by ships of particular lines to the exclusion of any others.

(2) The Union Government undertake to confine all emigrant traffic both ways to the Union Castle Line who will charge 20 per cent. less than the rates in force for third class or steerage passengers.

(3) The mail boats are to have cool or cold chamber accommodation to the extent of 18,000 cubic feet, or as near as possible, and in the event of such space not proving sufficient for conveyance of produce at height of export season, the Company shall, on 12 months' notice being given increase such capacity as far as reasonably practicable.

(4) The following rates of freight for articles carried in cold storage shall apply:—40*s.* graded and inspected and 50*s* ungraded ton net per 40 c. ft. measurement for fresh fruit; $\frac{1}{2}d$ per pound net butter, $\frac{3}{8}d.$ per pound net frozen mutton or lamb; chilled meat at not more than current contract rates from South America; citrons, fruits and pine-apples (Government inspected) 25 *ton* net per 40 c. ft. measurement. (These rates have no doubt been revised).

(5) These rates to be through rates to Nine Elms Station from usual ports of shipment. The contractor's liability shall commence upon receipt of goods in ships' tackle on board.

To assist in the agricultural development of South Africa, the mail and intermediate steamers shall carry free of freight from Great Britain to usual South African ports and Lourenco Marques pedigree live stock for breeding purposes.

(6) The Company have the liberty to revise rates of freight as circumstances require, but undertake to protect the in-

terest of the small shipper by carrying his cargo at same rate as that of larger shipper. If an equality of rates is found impracticable, the Company shall give notice of the facts to the Postmaster General.

(7) To assist development of South African coal trade, the Company agree to purchase for export not less than 50,000 tons per annum above their own requirements, provided this coal can be supplied at a price not less than 1-6*d.* per ton at ship's side below the price for similar coals delivered in July 1912. (Presumably, therefore, this clause is not now operative).

(8) In case of public emergency the Government has the right to ship at current rates on any of the ships in question, cargo which shall receive preference over all other cargo.

Canada.

A list of the Ocean "Mail Subsidies and Steamship Subventions" paid by the Canadian Government is annexed and also of certain clauses which are common to them. Special clauses peculiar to a particular contract are noted in the "Remarks" column. In addition to the services enumerated, numerous local and coastal services are subsidised. The total amount voted for 1919-20 was $2,629,500 and for 1920-21 $1,416,000. The difference is due to the fact that the United Kingdom-Canada contract of $1,000,000 has lapsed and mails are now carried on a 50 cent per c. ft. of mails basis.

Some clauses common to all contracts.

(1) List of passengers and copies of cargo manifests to be furnished, and also, if required, financial statements of revenue and expenditure on service.

(2) All freight and passengers, which may be reasonably offered or obtained, must be carried on each steamer according to its capacity and at tariff rates approved by the Minister.

(3) *In ocean service contracts only.*—Company shall furnish, at least three weeks prior to first sailing under contract, a schedule of the freight rates proposed which shall be subject to approval by the Minister of Trade and Commerce and after approval shall not be changed without consent. They have to be made available to the public. Minister has power, if he thinks fit, to fix maximum rates between ports. No discrimination shall be made as regards rates, etc, against Canadian merchants or shippers who shall always have precedence for freight and goods over all other merchants and shippers. Rates on goods to or from inland points in Canada, or through bills of lading, are not to exceed rates to or from same points *via* United States of America ports.

(4) *Government railway clause*—[Inserted in contracts for Atlantic ocean services.] All freight booked and carried to St. John or Halifax or Montreal is to be forwarded inland by the Canadian National Railways, unless expressly otherwise routed by shippers and consignees.

Service.	Ports of Call.	Company.	Type of ship, etc.	Frequency of Service.
Canadian Atlantic ports to Australia and New Zealand.	Montreal or St. John to New Zealand ports (and Australia).	New Zealand S. Co., Ltd.	10 knot ship 7,500 tons at 40 *c.f.* ton.	Monthly. Outward only; steamers do not return to Canada direct.
Canada to New-foundland.	North Sydney to Port aux Basques.	Reid Newfoundland Co. Ltd.	Speed not stated (3 boats of 1,000 gross and 12 knots are employed)	Daily round trip except Sunday.
Canada to South Africa.	Montreal or St. John, Halifax to Cape Town and two other South Africa ports.	Elder Dempster and Co., Ltd.	10 knots (Boats of 4,500 tons are employed.)	Monthly, during first 15 days of each month.

CANADA

Subsidy— (*a*) Voted for 1919-20. (*b*) Voted for 1920-21. (*c*) Paid calendar year 1919.	Duration of Contract.	Cold. Storage.	Remarks.
(*a*) $140,000 (*b*) $140,000 (*c*) $81,666	Opening of Navigation 1919 to March 1920.	Reasonable capacity to be provided.	Average cargo of 5,000 tons to be carried each trip. $2 per ton is to be deducted at end of year from subsidy for every ton carried short in total amount for year. A subsidy was instituted in 1910 and has been paid continually except in 1918, Government railway clause included. No mails or passengers have been carried, though mails, if required, must be carried free.
(*a*) $70,000 (*b*) $35,000 (*c*) $55,808	April 1919 to March 1920.	.....	Passengers, mails and freight are carried.
(*a*) $146,000 (*b*) $146,000 (*c*) $133,383	Ditto	200 tons capacity; more to be provided if necessary.	No mails and practically no passengers have been carried. A subsidy has been paid since 1907. No cargo is carried inwards. Extra vessels are to be employed if required. Mails to be carried free if required. Government railway clause is included.

Service.	Ports of Call.	Company.	Type of ship, etc.	Frequency of Service.
Canada to West Indies and South America.	Royal Mail S. P. Co.	St. John and Halifax to Georgetown B. G., *via* Bermuda, St. Kitts, Antigua Montsarrat Dominica, St. Lucia, St. Vincent, Grenada, Barbadoes and Trinidad.	11 knots. (Boats of 4,800 gross are employed)	Fortnightly
Canada, Pacific Ports to Australia or New Zealand. (Canadian, Australasian Royal Mail Line)	Vancouver, Victoria, Honolulu, Suva and Auckland Co. can extend to Australia if they desire and this is regularly done.	Union S. S. Co., Ltd.	Duration not to exceed 20 days including one day's detention.	Sailing every four weeks.

CANADA.

Subsidy— (*a*) Voted for 1919-20. (*b*) Voted for 1920-21. (*c*) Paid calendar year 1919.	Duration of Contract.	Cold Storage.	Remarks.
(*a*) $340,666·66 (*b*) $340,666·66 (*c*) $340,666·66	November 1919-20	.....	This service and subsidy will probably be revised under the new Canada-West Indies trade agreement. Contractors to use utmost endeavours to develop cargo and passenger trade between Canada and West Indies and to arrange through rates to and from interior of Canada. Through bills of lading to be given to South American ports visited by other lines run by same Company. No discrimination between shippers in any colony. Government railway clause included. Mails are regularly carried.
(*a*) $180,509 (*b*) $180,509 (*c*) $152,738	August 1919 to July 1920.	The New Zealand contract provides for cold storage.	This service is also subsidised by the New Zealand and Fiji Governments. No discrimination as regards freight or passenger rates is to be made against Canadian ports, railways or shippers. Preference to be given to Canadian shippers as regards cargo space at Canadian end.

Service.	Ports of Call.	Company.	Type of ship, etc.	Frequency of Services.
Canada, China and Japan.	Vancouver to Hong Kong *via* Yokohama on each trip *via* Woosung (Shanghai) on each eastbound trip and once on each alternate westbound trip.	C. P. O. S., Ltd.	(Two boats of 17,000 tons gross and 2 of 6,000 tons gross are employed.)	Twice a month in each direction.

CANADA.

Subsidy— (*a*) Voted for 1919-20. (*b*) Voted for 1920-21. (*c*) Paid calendar year 1919.	Duration of Contract.	Cold Storage.	Remarks.
			Freight rates from Vancouver or Victoria to New Zealand not to exceed the rates on similar cargo to New Zealand ports from any U. S. A. Pacific ports. Passenger rates to be same as in opposite direction. (Definite rates are laid down in the New Zealand contract.)
(*a*) $253,333·34 voted and $121,666·66 authorised by statute =$375,000·00. (*b*) $200,000 00 to be voted and $121,666.66 authorised by statute = $321,666·66. (*c*) $328,450.	April 1919 to March 1920.	.....	No discrimination against Canadian passengers, merchants or ports. Rates not to exceed rates charged on steamers of a similar class from U. S. A. ports on the Pacific coast. Mails to be carried free.

Construction Bounties.

Austria.

Construction bounties are granted when at least 50 per cent. of home-produced material is ordered: the amounts are (*i*) in the case of steamships of iron and steel (*a*) for the hull 40 kronen (£1. 13*s*. 4*d*.) for every ton gross; (*b*) for new ship engines, new boilers, new pipes or tubes and supplementary engines of every kind, 8 kronen for every 100 kilos or 3*s*. 5*d*. per cwt,; (*ii*) in the case of sailing ships of iron and steel, for the hull, when more than half of the material employed is of home production, the bounty is increased by 1 per cent. of its amount for every 1 per cent. of such material in excess of 50 per cent.; (*iii*) in the case of sailing ships of wood or mixed construction for the hull, 10 kronen (8*s*. 4*d*.) for every ton gross.

The construction bounty is allowed also, under certain conditions, when less than 50 per cent. of home materials is used; but in that case the bounty is diminished by ½ per cent. of its amount for every 1 per cent. under 50 per cent.

Denmark.

The Tariff Law of 1908 provides for the refund of customs duties on imported materials used for the construction of new ships, subject to the limitation that the refund must not exceed in amount 2 per cent. of the contract sale price.

France.

By the provisions of the law enacted in the year 1906, the construction bounty for steamships was fixed at a maximum of 172 francs 50 centimes (£6. 18*s*.) to cover both hull and machinery and was to diminish gradually for ten years. The amount was to be divided as follows:—

for hulls, 145 francs (£5 16*s*.) per ton, with an annual decrease of 4½ francs (3*s*. 7*d*.) per ton for ten years; and

for machinery, 27 francs 50 centimes per 100 kilos (11*s.* 2*d.* per cwt.), with an annual decrease of 75 centimes per 100 kilos (3¾*d.* per cwt.) for ten years.

The *construction bounty for sailing ships* of 150 tons and over was fixed at 40 francs (£1. 12*s.*) per ton, and of less than 150 tons at 30 francs (£1. 4*s.*) per ton.

Only seven-tenths of the bounties were payable in respect of vessels built to foreign orders; the remaining three-tenths were payable in addition to vessels sailing under the French flag—two-tenths one year after registration and the remaining one-tenth at the end of the second year.

So long as the law of 1902 was in force, these bounties were not to be paid in respect of more than 50,000 tons of steam vessels and 15,000 tons of sailing vessels per annum.

No more than 10 per cent. of foreigners could be employed on ships constructed under this law.

Vessels built for subsidised mail services are entitled only to a building bounty of 65 francs (£2. 12*s.*) per ton for hulls and 15 francs per 100 kilos (6*s.* per cwt.) for machinery.

Germany

Construction bounties in Gernamy do not take the form of a premium on the construction of ships, but consist of :—

(1) Special Customs facilities for goods destined for use in ship-building yards;

(2) Preferential railway rates.

(1) Sub-section 12 of Section 6 of the German Customs Tariff Law of the 25th December, 1902, exempts, from payment of Customs duty, materials used for constructing, repairing, or fitting out sea-going

or river vessels, except cabin and kitchen furniture. Pleasure boats for rivers and lakes are excluded from the enjoyment of this privilege.

In accordance with the Regulations issued by the Bundesrat to give effect to the foregoing provision of the Law, the exemption from duty extends to raw materials, as well as partly manufactured and wholly manufactured articles, which are used for the construction (original construction or alteration), the repair or the equipment of sea-going vessels defined as (vessels provided with a fixed seaworthy deck, entirely or chiefly destined for traffic on the sea, or its bays, harbours, and shallows), as also of lake and river vessels to be used commercially for passenger traffic, for the conveyance of goods for the industrial pursuit of fishing, tugging, and dredging, for river-works, dock and inspection services, and other public services; also the auxiliary boats of all the foregoing lake and river craft, but not floating dredgers, even if they be provided with means of self-propulsion.

Goods for fitting out cabins or kitchens, including even articles which are to be permanently fixed to the body of the vessel as also articles intended to be used in the manufacture of such goods, are not accorded exemption from duty.

(2) Preferential railway rates were in force on German State Railways for certain raw materials and partly manufactured articles used for the construction of German shipping. The railway rates of October, 1895, allowed a preference rate of 1·7 pfennig *plus* 12 pfennig booking fee per ton per kilometre, in lieu of the ordinary rate 4.5 pfennig *plus* 12 pfennig on the materials in question "in order to assist German iron industry and ship-building." This is a reduction of from 11 per cent. to 17 per cent. The same preferential rate also applied to the following list of articles of the "Special tariff for Iron and Steel": rivets, nails, screws, screw and rivet plates, nuts, wire, files, ships' chains, ships' frames, anchors, and all other articles, contained in Tariff III, used in shipbuilding.

Italy.

Provision is made by a law which came into operation in July, 1911, for *construction and repair bounties*, and *remissions of Customs duties*, during a period of fifteen years. The following are the main provisions of the law:—

The *construction bounties* are:—

On merchant vessels, dredgers, and bridged tugs, with iron and steel hulls, 55 lire (£2. 4*s*.), 50 lire (£2), and 45 lire (£1. 16*s*.) per gross ton, if launched within 5, 10, and 15 years, respectively, from the date of promulgation of the law;

On wooden sailing vessels, 10 lire (8*s*.) per gross ton;

For steam motors and auxiliary apparatus forming an integral part thereof, 15 lire (12*s*.) per indicated horse-power;

For turbine machinery. 17 lire (13*s*. 7*d*.) per shaft horse-power;

For boilers and auxiliary apparatus considered as accessories thereof 12 lire (9*s*,6*d*.) per 220·5 lbs=1*s*. 10*d*. per cwt;

For other auxiliary apparatus, 13.5 lire (10*s*. 9*d*.) per 220.5 lbs.= 5*s*. 5½*d*. per cwt.

For motor apparatus, 27 lire (21*s*. 7*d*.) per shaft horse-power.

The law provides that bounties at the above rates may not be paid in any one year in respect of more than 40,000 gross tons in the case of steamships, and 1,600 gross tons in the case of sailing vessels, of iron or steel; 8,000 tons in the case of wooden sailing vessels, 40,000 indicated horse-power in the case of engines; 2,500 tons of boilers: and 800 tons of auxiliary apparatus.

The *repair bounties* are fixed at a maximum of £8,800 per annum.

Remission of customs duties.—The law further provides that ship constructors in Italy may import free of duty one quarter of the metallic materials necessary for the construction of the hulls of merchant ships, dredgers, and bridged tugs built at the order of Italians and intended for sea, lake, lagoon, or river use, and provided that this quarter does not exceed 120 kilogrammes per ton of gross tonnage. A quarter of the metallic materials necessary for the transformation of vessels, resulting in an increase of the gross tonnage, may also be imported duty-free, provided that such quarter does not exceed 120 kilogrammes for each ton added to the vessels.

The law also allows temporary duty free admission in respect of (*a*) foreign metallic materials employed in the construction of the hull, machinery, boilers, and auxiliary apparatus of merchant vessels ordered by foreigners, or in the construction of iron and steel craft destined for exportation, or war or other vessels ordered by foreign Governments from Italian shipyards; (*b*) articles of equipment or armament for the above-mentioned vessels; (*c*) their machinery and boilers, or parts thereof; and (*d*) foreign metallic materials, machinery and boilers, complete, or separate parts thereof, to be employed in the repair or transformation in Italy of war or other vessels belonging to foreign Governments.

Italian shipbuilders may claim this privilege of temporary admission in respect of materials for vessels ordered by Italians, if they renounce the other customs and construction bounties accorded by the law.

The quantities in respect of which the remission of customs duties may be made in any one year are limited by the law, and the maximum annual total of construction bounties (including the loss of customs revenue other than by temporary admission) is fixed at £191,976. This, with the navigation premiums and repair bounties, and a small sum for the expenses of administering the law, makes a total authorised annual expenditure of £248,000.

Japan.

The bounty payable on tonnage constructed locally is regulated by the provisions of the Law for the Encouragement of Shipbuilding, which came into force on January 1, 1910.

By the provisions of this law, only those ships are eligible to receive a bounty which are constructed by Japanese subjects or by firms which have only Japanese subjects as members or shareholders.

Vessels receiving bounties must be built of steel and be of 1,000 tons or more gross tonnage. They must be constructed under supervision in accordance with the shipbuilding regulations drawn up by the Minister of Communications.

The rate is within the limits of yen 11·00 (22*s.* 5½*d.*) and yen 22·00 (44*s.* 11*d.*) per ton of the gross tonnage of the hull.

Ships are divided into two classes and four grades for the purposes of the subsidy, *viz* :—

Class A. Ships with sleeping accommodation for 50 or more 1st or 2nd class passengers, or having accommodation for one or more 1st or 2nd class passengers per 100 tons of gross tonnage.

Class B. Ships not coming under Class A.

Grade 1. Ships coming under Grade 1 of the Shipbuilding and Survey Regulations, with the proper equipment for ocean voyages.

Grade 2. Ships coming under Grade 2 of the same Regulations.

" 3. " " " 3 " "

" 4. " " " 4 " "

The following are the rates payable per gross ton :—

	Grade 1.	Grade 2.	Grade 3.	Grade 4.
	Yen.	Yen.	Yen.	Yen.
Class A	22	21	19	14
„ B	19	18	16	11

If the engines are built with the vessels, or—provided the sanction of the Minister of Communications has been obtained beforehand—at any other works in Japan, a further bounty of yen 5 00 per actual horse-power is to be granted.

Except in accordance with regulations laid down by the Minister of Communications, foreign manufactured articles may not be used for the hull, engines, or equipment of vessels which are to receive shipbuilding encouragement bounties.

In constructing the hull or the machinery for a vessel which is to receive the subsidy, foreign-made material may not be used except for the following parts :—

(1) Stem, sternpost, rudder and rudder tiller, rudder post, quadrant, rudder pintles used for vessels of 3,000 tons or more.

(2) Triple screw shaft bearing.

(3) All stanchions not less than 7 inch diameter.

(4) All kinds of springs.

(5) Corrugated and plain or flanged furnaces.

(6) Rotor (wheel) spindle or shaft, blades and brackets for turbine engine.

Patented articles or articles of new design made abroad can only be used in the construction of hull or machinery with the special permission of the Minister of Communications.

The following articles used in the equipment of a vessel which is to enjoy the subsidy must not be foreign made:—hemp and Manila rope; articles made of canvas; windlass; cargo winches; steering engine and gear; anchor chains, wire ropes hawsers, etc; centrifugal pumps; hand bilge pumps; fire pumps; boat davits and other davits; boat and life-saving gear; sky lights and cabin ports; ventilators; electric apparatus; auxiliary condenser; steam pumps; ash ejector; dynamos; and valves and cocks.

There is a similar proviso to the one above-mentioned with regard to foreign patented articles or those of new design.

Spain.

Spanish shipbuilders pay the full customs duties on material imported, but receive the following bounties:—

(1) Per ton gross of all wooden ships constructed to navigate without motive power of their own, 80 pesetas (£3.4*s*).

(2) Per ton gross of wooden ship constructed to navigate with their own power, 100 pesetas (£4).

(3) Per ton gross of iron or steel ships without motive power (dredgers, floating cranes, hoppers, etc.), 120 pesetas (£4. 16*s*.).

(4) Per ton gross of iron or steel cargo boats, 160 pesetas (£6. 8 *s*). The same bounty is paid on the construction of iron and steel fishing boats.

(5) Per ton gross of iron or steel vessels constructed to carry both cargo and passengers, 170 pesetas (£6. 16*s*.).

(6) Per ton gross of iron or steel vessels constructed for passenger traffic, 185 pesetas (£7. 8*s.*). An additional 10 per cent. is paid on every knot in excess of 14 attained in trials undergone by the vessel when carrying half her maximum cargo.

The above scale of bounties having been established in 1909, the following year was the first in which payments were made to shipbuilders. They amounted in that year to a total of 738,432 pesetas (£ 29,537.)

Sweden.

Material required for use in Swedish shipbuilding yards for the construction or repair of ships of over 10 tons for use in the Swedish Mercantile Marine, or of under 40 tons for immediate sale abroad, may be admitted free of customs duty.

United States of America.

By Section 19 of the United States Tariff Act of 1909, all materials of foreign origin intended for the construction of vessels in the United States may be imported free of customs duty. But vessels which have so benefited in construction may not engage in the general coastwise trade (which is reserved to American-owned vessels) for more than six months in each year, though they may engage in the trade between Atlantic and Pacific ports of the United States.

The United States laws admit to participation in the coastal traffic of the United States only those vessels which are on the United States Shipping Register, and moreover admit to that Register only those vessels which are built in the United States. This limitation to United States built vessels, though occasionally relaxed in the past, has been the chief State incentive to shipbuilding.

By the 1920 Merchant Marine Act the United States Shipping Board may set aside from the proceeds of the sale of ships or from

its profits a sum of $25,000,000 per annum for five years, to be used as loans for the construction of vessels for such services as it deems advisable, the rates of interest and conditions of maintenance of service to be determined by the Board. Another provision of this Act is that the nett earnings or proceeds of sale of United States registered ships may for ten years be deducted from nett income for the purposes of war-profits and excess profit tax, provided that such earnings are invested in a trust fund for the construction of new vessels of a type to be approved by the Board. The owners must in addition pay two-thirds of the cost of this new construction out of their ordinary funds or capital.

Relation of the Government to Railways in India.

The relations between the Government and the guaranteed companies now working railways may be summarised as follows :—

The lines that they work are the property of the State.

The greater part of the capital is the property of the Government, either through having been originally supplied by it or through the acquisition by the Government of the companies' interests on the termination of old contracts.

When funds are required for further capital expenditure, the Government has the option either of providing them or of calling on the company to provide them. The company receives guaranteed interest at a fixed rate on its capital ; and similar payments out of the earnings are made to the Government. If, after these have been made, surplus profits remain, they are divided between the Government and the company in the various proportions provided for by the contracts. The company's share is in all cases only a small fraction of the Government's share.

All the contracts, except one, which is for a fixed term of 25 years, are terminable at the option of the Secretary of State, at spe-

cified dates; and on termination the company's capital is repayable at par (except in the case of the East Indian Railway Company, which is for special reasons to receive a terminable annuity instead of a cash payment).

(For detailed information on the above subject reference may be made to Appendix A., Volume I of the Administration Report on Indian Railways in 1921-22.)

NOTE.—All bounties and subsidies mentioned above are not in force at the present day.

The amounts of the bounties and subsidies have been converted into pounds sterling at the pre-war par rate of exchange.

No. T. 807 of 28th July 1923.

From Chamber to the Indian Mercantile Marine Committee.

With reference to the correspondence ending with your letter No. 256, dated the 23rd April 1923, I am directed to send to you herewith 30 copies of the replies of my Committee to the questionnaire of the Indian Mercantile Marine Committee.

Dated 23rd July 1923.

Memorandum of Written Evidence submitted by the Chamber to the Indian Mercantile Marine Committee.

The Shipping industry in India was once in a flourishing condition, and Indian ships sailed on all the then known seas richly laden with merchandise. Those were the halcyon days of Indian trade and industries, when India did not occupy the unenviable position of merely an exporter of raw materials and importer of finished pro-

ducts. Indian ships visited some of the most distant ports in the west and east, and Indian goods reached the markets of the world. Shipping forms in every country the backbone of trade and industry, and this was exemplified vividly in the mutual help shipping and trade and industry gave to each other in those times. This is not the place to analyse the causes which led to the decline and fall of Indian trade and industries, and to the present deplorable position when we have to be dependent for the barest necessities of life upon foreign countries. It may be sufficient, however, to say that the same causes which operated in bringing about the decline in Indian trade and industries and in diverting industries to Great Britain, then but a small island kingdom, operated also in gradually eliminating Indian shipping not only from the foreign trade of the country but also from her coasting trade. British traders and manufacturers who came to this country originally as humble traders succeeded in establishing British dominion in India. Even when they became actual rulers they remained mere traders first, and were not inspired by any large vision of administration or statesmanship. They used all the powers which the dominion over this vast country gave them to wipe off slowly but steadily all her trade and industries, and in this they received ready co-operation from their Home Government.

England has been a maritime country for the last several centuries, and her power is fundamentally maritime. British administrators, both in England and in this country, were shrewd enough to realise that if they wanted to displace Indian trade and industries and to introduce British products in Indian markets, their efforts would be but partially successful as long as their shipping was not supreme in Indian waters. It is this realisation of the action and reaction between trade and industries and shipping that made the British Government in this country entirely indifferent, if not actively hostile, to the interests of Indian shipping just as they were hostile to Indian trade and industries. The ship-building industry flourished in India from times immemorial, and even in the days of the East India Company, and long after, Bombay was a port noted for its ship-building, Wadia's being the name to conjure with in

those times in this industry. Not only mercantile ships but also ships of war were built in this port. Unfortunately, India was under a foreign domination, the trade interests of which were entirely adverse to her own trade interests, and the supplanting of indigenous trade and industries by British trade and industries led to the elimination of Indian shipping from foreign waters, and the consequent wiping out of her ship-building industry. In a few decades even the coasting trade was captured by enterprising foreign companies with the result that all that India can boast of now is a few tiny ships, and the old primitive craft, as against the huge tonnage of non-Indian ships plying in Indian and foreign waters and enjoying almost a monopoly as carriers not only for the imports into India but also for her exports abroad.

It may not be out of place here to give a small sketch of the rise of the English Merchant Marine. Though the beginnings of the English Merchant Marine may be traced to the days of Alfred the Great its remarkable development was reached under the Tudors and the Commonwealth. The destruction of the Spanish Armada in 1588 put an end to the powerful merchant fleet of Spain because until comparatively recent years the mercantile ships of a country were also its men-of-war. Later, the carriage of the growing trade between Great Britain and the American colonies was wholly secured for British vessels by the Navigation Laws. The pace of marine development was further accelerated by the acquisition of monopoly of power in the rich lands of Canada and India under the treaty which concluded the Seven Years War in 1763. Add to this the fruits of the naval victory off Trafalgar, and we find the English naval and merchant fleets supreme in all the seas during the early years of the nineteenth century. Thus by the time the Navigation Laws were repealed in 1849 under the *laissez faire* regime, the English Merchant Marine had grown so fully that "natural" growth was then most suited to its further development as shown by the following figures:—

Years.	Total Net Tonnage. (Sail and Steam).
1850	3,565,133
1860	4,658,687
1870	5,690,789
1880	6,574,513
1890	7,978,538
1900	9,304,108
1910	11,556,663
1913	12,119,891

The growth of steam and motor tonnage alone is equally remarkable. According to Lloyd's Register for 1922—23 the total steam and motor tonnage of the United Kingdom, excluding vessels of less than 100 tons, is 19,088,638 tons gross, showing an increase of 44 per cent. over similar tonnage in 1900 and an increase of 86 per cent. over the tonnage in 1890.

As against the stupendous tonnage of the British Merchant Marine it is well to remember that outside Bombay there are on the Indian Register 76 vessels of under 1,000 gross tons, while only 18 exceed that size, while at Bombay there are 39 steamers above 1000 gross tons and 24 steamers under that size. The wiping out of the Indian shipbuilding industry was hastened by the construction of modern steel ships in the west. The Indian Industrial Commission remarked that "attention had been directed to the building of steel ships but until the local supply of steel had been greatly increased it was more than doubtful if expectation in this direction could be realised." It was because of all these conditions and causes that the Indian commercial community and the Indian publicists have been urging the Government repeatedly and persistently to make sincere and earnest efforts to deal with the situation which is the very key of not only building up a new Industrial India but also

of building up a Mercantile Marine and a Navy worthy of her future position as a self-governing unit and vitally essential for the maintenance and preservation of this position. During the war it was to the interest of the Government to make India a self-contained unit as it was next to impossible to get both military and naval requirements from outside. Government tried their best to develop and encourage the industries of the country during this period, and they also tried to get their requirements in the matter of shipping by utilising indigenous talent in the construction of wooden ships. All this enthusiasm however stopped as soon as the war was over with the result that Government help both direct and indirect ceased to be forthcoming either for industries or for shipping. The Committee of the Indian Merchants' Chamber have however noted with satisfaction the appointment of the Indian Mercantile Marine Committee, and hope that the report of the Committee will reflect Indian public opinion and will result in steps being taken to place both the shipping and ship-building industries of the country on a sure foundation.

It is the considered opinion of my Committee that serious attempts should be made to establish a Government line between India and Europe primarily for the carrying of mails but also to make available proper conditions of freight for the Indian trade. Such an attempt on the part of the State is fully in keeping with the policy of State ownership and Management of transport facilities which has been successfully employed in the past and the principle of which has recently been accepted by the Indian legislature in the matter of Railway transport. In view of the financial conditions of the Government of India my Committee cannot recommend any immediate action on these lines, but they are of opinion that this goal should be kept in view to be attained within, say, five years. In the meanwhile efforts must be made to encourage and develop private shipping and ship-building industries.

Questions 1 and 2.—The first two questions relate to the present condition of the shipping industry in this country. This is as my Committee have said in the preamble but still in its infancy and

the situation cannot be deemed otherwise than as most deplorable. The principal causes which have led to it are:—

(*a*) Apathy of the Government Departments concerned;

(*b*) Competition of vested interests of non-Indian Shipping Companies;

(*c*) The deferred rebate system; and

(*d*) Rate wars.

Question 3.—If State aid is meant to include also State legislation my Committee cannot suggest any measures which will not involve legislation as a preliminary to protecting the industry in its nascent stages and they would suggest (*a*) the creation of a situable body for fixing of minimum and maximum rates; (*b*) the declaration of the deferred rebate system as illegal; (*c*) the reservation of the coasting trade for indigenous shipping concerns; and (*d*) the employment of a certain proportion of Indians in the navigation and engineering branches in all shipping concerns licensed to operate in Indian waters.

Question 4,—State aid direct and indirect is not only necessary but essential to promote the satisfactory development of the shipping industry by the people of this country. This has proved to be the experience of all leading civilised countries whether in the east or the west. In this connection my Committee beg to refer to pages 36-38 of Pamphlet No 1, Indian Shipping Series, on "State aid to National Shipping", by Mr. S. N. Haji summarising efforts made by different civilised Governments to develop and encourage their national shipping and ship building.

Questions 5 and 6.—Such State aid can assume the following forms:—(1) Bounties to *Indian* ships or shipping companies. By *Indian* my Committee mean shipping companies registered in India and in Rupee capital, more than half of which is in Indian hands with the same percentage of Indian directors and of which the Managing

Agents or Managing Directors are Indians. (2) Subsidies. (3) Preferential rates in all Indian ports, and in railway transport for the goods carried in Indian ships. (4) Preference in the carriage of Government Stores to Indian-owned bottoms.

Questions 7 and 8.—For the purpose of such bounties my Committee do not wish to specify particular routes but are decidedly of the opinion that bounties should be specially given on routes where there is possibility of a strong non-Indian competition. Such bounties might be given, to begin with, for the coasting trade only.

Questions 9 and 11.—My Committee suggest that ships below 1000 gross tons and with a speed of less than eight knots should not be eligible for navigation bounties. Increased bounties may be given to boats for higher speeds.

Question 13.—In the state in which Indian shipping and shipbuilding are at present it is natural to suppose that orders would be placed abroad for ships as long at least as indigenous ships are not forthcoming. My Committee therefore are not in favour of any restrictions with regard to navigation bounties to be paid to vessels built even outside India but owned by Indians.

Question 15.—The supreme aim of all these efforts, however is to build up in this country in the near future a strong shipping and ship building industry. Efforts must therefore be made to train as many Indians as possible in both these industries. Otherwise there is danger of our always moving in the same vicious circle. Whenever any protest is made by the Indian people against the entire absence of Indians both in the higher grades of the mercantile marine and the Royal Indian Marine, and against Government patronage not forthcoming for Indian shipping companies, a reply is given that there are no Indians of suitable ability and capacity, while at the same time no efforts are made to enable Indians to have a chance of obtaining the necessary course of apprenticeship training. My Committee therefore suggest that at least two Indians on the Navigation side and two on the Engineering side must be entertained as apprentices by any shipping company receiving a bounty.

Question 18.—As remarked above in the preamble the coasting trade has become almost a monopoly of non-Indian concerns. This is quite the contrary to what is found to be the case with civilised countries, both in the west and the east. Many of these have restricted their coasting trade to indigenous concerns. My Committee are also strongly in favour of this policy, and emphatically recommend the reservation of the Indian coasting trade for indigenous shipping, the same to be achieved gradually in five years.

Question 19—Non-Indian shipping companies are not naturally worked in the interests of Indian trade, but in those of their own shareholders, and so if there is any reservation of coasting trade under suitable safeguards for indigenous shipping concerns, there will not be any interference with the coasting trade, but on the contrary, the Indian coasting trade will greatly benefit by it.

Question 20,—If the coasting trade is reserved as suggested for indigenous shipping concerns, my Committee would like to recommend strongly that such companies should give ficilities for the training of Indian apprentices.

Question 22.—My Committee have analysed above the causes which led to the practical wiping out of the ship-building industry from the country, and if this industry of so vital an importance to this country as a whole, is to be resuscitated, State aid is absolutely necessary.

Questions 44-48.—One of our great requirements at present is the direction of the training up of as large a number of Indians as possible in the shipping industry. My Committee are of the opinion that a large number of youths of this country would come forward to take up a sea-faring career but unfortunately no facilities exist at present. My Committee cannot but feel that such a deplorable state of things is peculiar only to this country. They do not know of any other country in the world possessing such a long coast line of 4,000 miles and such a tonnage of foreign and coasting trade which has not got even a single qualified officer in the mercantile marine.

Government should take active and immediate steps to remove this blot on the administration. Steps should be taken to provide for the training and future employment of these apprentices and facilities should also be given for their further study for qualifying for the Board of Trade certificates in various grades.

My Committee not having expert knowledge, cannot say whether cadets for training should proceed direct to sea for apprenticeship or should undergo a preliminary course of instructions in a training ship or in a training establishment on shore. They, however, consider that sufficient training can be given here and they do not see any necessity for sending them to England.

Question 52.—My Committee would like to suggest that shipping concerns which are favoured by the Government with postal subsidies, or are employed as carriers of Government Stores should be required to have Indian apprentices on their ships.

Questions 59 and 60.—All that my Committee have said above with regard to the training up of Indian youths for serving as officers in the Indian Mercantile Marine applies to the training of Engineers for the Indian Mercantile Marine.

Questions 66 and 67.—With regard to Postal subventions my Committee are of the opinion that tenders should always be asked for this service and preference should be given to Indian shipping companies even though there may be a slight difference in rate. One of the main conditions my Committee would like to have introduced in Mail contracts would be that the shipping companies that are getting the Postal subventions should take up Indian apprentices and have a percentage of Indians in the higher grades of their employments.

Question 69.—In addition to the aid both direct and indirect, referred to in previous replies my Committee feel that it would be desirable to have two scales of dock dues and berthing charges and that companies registered in India should be charged on the lower scale. It would also be desirable to issue instructions to port authori-

ties at the Indian Ports to give preference, other conditions being the same, to ships owned by Indian companies.

Question 70.—India pays about Rs. 30 crores annually as freight, outwards as well as inwards on an approximate cargo of 1·20 crore tons; by a freight surcharge at only eight annas per ton on this quantity we could raise Rs. 60 lakhs per year. In five years it would amount to Rs. 3 crores, which could be spent as under.

1. Rupees 10 lakhs annually on education, comprising (*a*) two training ships, (*b*) two Nautical Schools, (*c*) two Nautical academies, (*d*) one sea-going ship, and (*e*) scholarships, which will amount to Rs. 50 lakhs.

2. Bounties to be paid as below :—

First year Rs. 20 lakhs; second year Rs. 40 lakhs; third year Rs. 60 lakhs, and fourth year Rs. 80 lakhs; total Rs. 2 crores.

3. Construction bounties Rs. 10 lakhs a year for five years which will amount to Rs. 50 lakhs.

The expenditure on all these three heads would, therefore, amount to Rs. 3 crores.

J. K. MEHTA,
Secretary.

APPENDIX 49.

STOCK EXCHANGE ENQUIRY COMMITTEE.

Dated 6th October 1923.

From the Secretary, Stock Exchange Enquiry Committee to Chamber.

I enclose herewith a copy of Government Resolution No. 2628 dated 14th September 1923 in the Finance Department constituting a Committee of enquiry regarding the Native Share and Stock Brokers' Association of Bombay, and I am directed by my Committee to extend to your Chamber a cordial invitation to assist the Committee with your views and suggestions concerning the subject matter of the Committee's enquiry. And I have further the honour to invite two representatives of your Chamber to give evidence before the Committee in support of the written representation which it is hoped you will make. Further, I am to say that should any member of your Chamber wish to give evidence in his personal capacity, such evidence would be welcomed by the Committee.

2. Sir Wilfrid Atlay is expected to arrive in Bombay on November the 2nd.

Government of Bombay, Finance Department Resolution No. 2628, Bombay Castle, 14th September 1923.

The Governor of Bombay in Council is pleased to appoint a Committee to enquire into the constitution, government, customs, practices, rules, regulations and methods of business of the Native Share and Stock Brokers Association of Bombay and to investigate any such complaints of the public and to make any such enquiries with reference to any of the aforesaid matters or any other matter

appertaining to the aforesaid Association as the Committee may deem proper and thereafter with a view to protect the investing public against the interested or irregular control of business to formulate such definite proposals for the future constitution, control, direction and regulation of the aforesaid Association as the Committee may deem proper.

2. The Committee will be constituted as follows :—

Sir Wilfrid Atlay	...	*Chairman.*
Sir Fazulbhoy Currimbhoy	...	*Members.*
Sir Purshotamdas Thakurdas	...	
Mr. R. Lindsay	...	
Captain E. V. Sassoon	...	
Mr. Bhulabhi J. Desai	...	
Mr. Pherozeshah M. Dalal	...	
Mr. G. Davis, I.C.S.	...	*Secretary.*

3. The Committee will assemble in Bombay at such place and time as will hereafter be notified.

4. Any person wishing to give evidence before the Committee or to assist the Committee with information is invited to give, by writing or otherwise, intimation to this effect, within fifteen days of the publication of this notification to the Secretary, Stock Exchange Enquiry Committee, Finance Department, Secretariat, Fort, Bombay.

No. T. 1103 of 17th October 1923.

From Chamber to the Secretary, the Stock Exchange Enquiry Committee.

With reference to your letter dated the 6th instant enclosing a copy of Government resolution No. 2628 dated 14th September 1923

in the Finance Department constituting a Committee of enquiry regarding the Native Share and Stock Brokers' Association of Bombay I am directed by my Committee to inform you that they have nominated Mr. Devidas M. Thakersey, President of the Chamber and Mr. Manu Subedar to give oral evidence before your Committee on behalf of this Chamber.

Dated 12th November 1923.

From the Secretary, Stock Exchange Enquiry Committee to Chamber.

In continuation of my letter of October the 6th, I send herewith in case it should be of assistance to your Chamber a copy of the Heads of Enquiry which the Committee have decided to issue instead of a formal questionnaire as more useful in the circumstances of this enquiry. I should be glad if you would let me have your written representation at a very early date so that I can make arrangements for your oral evidence.

2. I also enclose herewith a copy of the Directions to Witnesses.

Heads of Enquiry.

A list of items which the Committee will, with such other matters as may appear necessary, take into consideration in their enquiry, is appended, and witnesses, if they desire, may utilise this list for their guidance in their written and oral evidence.

1. History of the Association. Aims and objects of the Association. The Association's building.

2. Constitution of the Association.

3. Qualifications of members. Admission of members. Necessity and nature of security. Expulsion and suspension of members. Licensing of brokers. Partnerships.

4. Election of President. Power and authority of President. The officers and staff of the Association.

5. General meetings of the Association. Methods of business at general meetings.

6. Constitution of Committee of Management and of sub-committees. Election of committees. Methods of business of committees.

7. Relations of the Committee of Management (*i.e.*, Board of Directors) to (1) the general body of the Association, (2) the individual member.

8. Method of passing rules. Desirability of printed rules in English available to the public on payment. Adequacy of the rules. Method of enforcing rules.

9. Division of members into the two classes of jobbers (*i.e.*, dealers) and brokers.

10. Clerks authorised and unauthorised. The wearing of badges. The admission of the public.

11. Excessive holidays. Hours of work.

12. The broker and his office. The broker and his client. The buying broker and the selling broker. The broker's method of business. Contract notes. Margins. Commissions.

13. Bombay as a market for securities. The chief varieties of securities dealt in.

14. A cash basis for business. Cash *versus* forward business. Budla business.

15. Blank transfers. Their abolition. A check on gambling. Duties payable on the transfer of shares. Evasion of duties.

16. Fortnightly settlements. The closing of the Exchange for settlement.

17. Corners. Syndicates. Bulls *versus* bears. The power of the Managing Committee to declare a corner and to fix prices. Justification and exercise of this power. Arbitration Committee.

18. The enforcing of bargains and adjustment of disputes. The buying-in-rule. Suspension of buying-in-rule.

19. The breaking of the link.

20. The floatation of companies. New issues and quotations. Admission and removal of scrip from forward list.

21. Fluctuations in shares.

22. The official list and marking of bargains.

23. The Clearing House. Making-up prices. Methods of clearing.

24. Defaulters.

25. Tribunal of Appeal constituted of members of the Association and representatives of commercial bodies before which a member of the public can make complaint with regard to a broker or the Association.

26. Incorporation. Do events in the past make legislation and a charter a necessity. Nature and scope of legislation.

27. Bombay as one of the great markets of the world.

Directions for the Assistance of witnesses.

Witnesses may, if they desire, confine their written statement to a statement of general principles or opinion, and leave their detailed evidence for their oral statement.

If witnesses desire any part of their written statement to be treated as confidential they will please mark such part clearly.

It is desired as far as possible to take evidence in public, but witnesses are requested to state if they desire to give their evidence in public or *in camera*.

No. T. 1325 of 4th December 1923.

From Chamber to the Secretary, Stock Exchange Enquiry Committee.

With reference to your letter dated 12th November 1923, I beg to enclose herewith Memorandum of Evidence of the Indian Merchants' Chamber for the consideration of the Stock Exchange Enquiry Committee. Mr. Manu Subedar will represent this Chamber for the purpose of giving oral evidence before the Enquiry Committee.

Memorandum submitted by Mr. Manu Subedar on behalf of the Indian Merchants' Chamber to the Stock Exchange Enquiry Committee.

The Bombay Stock Exchange, which for many years served the interests of the public without giving cause for serious complaint, has for the last few years been found inadequate for the serious work which is entrusted to them. The different directions in which complaints have been raised against that body are indicated below. It does not appear, however, to our Chamber that it is possible by a mere revision of rules that the general tone of the existing body could be brought up so as to enable public interests of such vast magnitude to be placed into the hands of the brokers.

Holidays and Hours of work.

There have been complaints that the number of hours that the Exchange is kept open during the day is very small and that the number of holidays and close days also much greater than it should be. The exact effect of keeping any market open for a very limited time is to restrict the number of transactions and thus to lead

to greater fluctuations. The restrictions of time also enable speculators to manipulate the market according to a fixed previous programme.

Apart from all the religious and public holidays being observed, the fact that the Exchange should be closed for any trivial purpose is to be deprecated. One of the reasons for the closing is the death of a member. Whereas this method of honouring the dead is one that has come down by tradition, with the increase of business in modern times and the increase of membership this practice must be discouraged. In our opinion since this practice cannot be altogether disallowed, the death of a member should secure the closing of the Exchange an hour earlier on that day and not the stoppage of the whole day. An unexpected holiday and an unexpected closing of business is a nuisance to all parties concerned and should be resorted to only under times of serious sentimental stress. In our opinion the Exchange should be open four hours daily instead of two with a lunch interval of one hour.

Forward Transactions.

The fact that there are forward transactions in shares has led not only to speculation but gambling which has been the bane of the Stock Exchange for the last five or seven years. There are members of our Chamber who would like to see forward transactions stopped altogether as the one effective remedy against the abuses of which there have been complaints. Most of them are of opinion that the stoppage of forward transactions in a scrip for a limited time might allow any remnants of the gambling fever which still survive to cool down and might restore the Bombay Stock Exchange to its normal activity. On the other hand in order not to cause too sudden a breach in existing practices and not to disturb values as they are bound to be disturbed by sudden stoppage of a forward transaction, certain restrictions have to be put on the forward business and its basis has to be expanded on the following lines.

In selecting scrips for being admitted to forward transactions

the Board in the past, we are told, has made altogether arbitrary distinctions. There was no reason for any particular scrip being left out. It is for the Stock Exchange to explain on what principle they have selected certain shares for forward transactions. After deliberate inquiry we have not succeeded in discovering any point of principle about their methods of selection. Even the latest case where the Stock Exchange suddenly revoked the injustice which they have done to numerous industrial concerns by keeping out their shares for forward transactions illustrates the method by which the work is done. We are told by old and experienced members of the Stock Exchange that formerly that scrip was admitted to forward transaction whose managing agent was a powerful man and an operator on the Stock Exchange and who had already "taken in hand" some of the Directors by giving business to them. It was latterly decided to admit certain scrips to forward transactions not by the decision merely of the Board but by voting of the general body. In this case, as has happened in the past, those concerns whose managing agents are speculators and engage a good many brokers for their work manage to get by judicious canvassing their scrips admitted to forward transaction. Then with inside knowledge of the affairs of their own Company and with full freedom to deal in their own Companies in forward they would prejudice the interests of the ordinary investor as well as the interests of any member of the public who goes to the Stock Exchange and dabbles in speculation there, thinking in his own mind that he is doing it intelligently. Where operation is made with inside knowledge intelligent anticipation such as the concomitant of the whole legitimate trade has no chance.

We think, therefore, that all forward transactions should be kept open for all shares. For exceptional reasons such as (*a*) the fact that the Company's share is not fully paid up, (*b*) the fact that the Company is of foreign (non-Bombay) registration, certain Companies may be kept out of the list of forward transactions.

That cases where a broker has defaulted and run away are not frequent, but it sometimes happens that a broker goes on extracting from the client cheques for losses and when it comes to making pay-

ment to the client for profits earned, he does not pass cheques to the client immediately, but delays the matter. He does this very often because he has his own business standing in the market for which he has to pay differences. The client in the case of such a defaulting member has at present no remedy of any kind except going to law. It must be known to the Committee that this is a very slow machinery and it enables the broker to keep back the moneys properly belonging to the client for several months and to gamble in the interval on a large scale. Cases have not been unknown of a good firm having delayed payments to the client. Wherever such arrangement is by mutual consent and in a friendly spirit we have nothing to say, but it sometimes happens that a broker is unwilling to settle with the client because he is short of cash to settle with the market. He prefers to settle with the market as otherwise his card would be confiscated and he would be put up as a defaulter. We suggest, therefore that there should be established an arbitration board that should take account of all complaints by any member of the public and of all disputes between a broker and his client. These arbitration boards should act quickly. On these boards should be represented members of the public. These boards should have full power to look into the books of a broker and to call him and his employees and any other members of the Exchange to give evidence.

We would further suggest that there should be some machinery by which a member of the public could go to the Board of the Stock Exchange complaining against any particular member who has run away. We understand that the Board confiscates his card and puts it up to auction and from the moneys realised pays out *pro rata* to other brokers. There does not appear to be any system to protect a member of the public who may be a *bona fide* creditor of a member of the Stock Exchange.

As a general safeguard we would, therefore, suggest that new members when they are admitted should give four names as sureties to continue for a period of five years after their admission. Further, the older members, we think, should all pay a sum of Rupees five thousand by way of deposit which would remain in the hands

of the Board to the Stock Exchange so long as the member is an active member.

Margins.

While the above reform would instil in the mind of the broker some sense of responsibility to his colleagues and the Association, we also think that speculation in shares would be considerably reduced if a corresponding protection were given to the broker himself by asking for margins from members of the public, who wish to operate on the Stock Exchange. It is undesirable that these margins should be paid to the broker himself even after he is prohibited from dealing on his own account. The payment of the margin, if adopted, should be in the Stock Exchange itself to a party appointed by the Stock Exchange for this purpose who would give the necessary receipts. This fear which was entertained at one time of the bull party, who had extracted large amount by way of difference from the market, not being able to fulfil his obligations when the time came would be guarded against in this manner. Brokers are not likely to agree to this proposition because it will prevent them earning fat incomes by way of brokerages, but the financial life of the City would certainly be strengthened in this way. There is no reason why men wanting to indulge in speculation should not put down margin money. The brokers do as a matter of fact extract such margins from weak clients or clients who have given them difficulty in the past. There is no reason why this system could not be made general though it will check the number of operations and would prevent a considerable number of those who are at present dealing in shares—a result not altogether undesirable in view of what has happened in the past.

Scope of the Market.

We are inclined to think that Bombay as the financial centre of this country could deal amongst others with industrial securities of concerns located throughout the country. As a matter of fact on account of the defective methods pursued hitherto the brokers and the dealers and the investing public have all been engaged in mere

gambling of Bombay Securities. Otherwise it was reasonable to expect that during the last three or four years when the operations of the Bombay Stock Exchange were multiplying manifold, they would have embraced a few at all events of outside securities. Instead of this, the Bombay Stock Exchange dealt with very few outside securities. They did not succeed in establishing in Bombay a market for even shares of mills in Ahmedabad. On the contrary in order to assist the speculation which was going on dealings began to be made at Ahmedabad and at Indore in certain speculative securities of the Bombay market. The Bombay securities were also dealt with as in the case of the Scindia Steam Navigation Company in Calcutta and Madras. On the other hand even for concerns located in Bombay there have often been no quotations even for cash. While there is some justification for hesitation in handling new shares we fear that the impossibility of selling shares or buying them in the case of new Companies is also due to lack of information on the part of the brokers. No matter how small the value may be, we think if the brokers were less concerned with dealings on their own account in speculative shares they might enable a market of some sort to be established.

Brokers Doing Business On Their Own.

The worst feature from the point of view of the public in the work of the Stock Exchange appears to be the fact that a broker is free to do business on his own. We have been informed that such business on the part of brokers on their own account is almost universal on the Stock Exchange and that it has often exceeded the volume of legitimate business on the part of the clients. On inquiry we are told that in recent months the business of the brokers on their own account has been from 75 to 90 per cent and the business on the clients' account is 15 per cent. This fact, which is not until recently universally recognised in Bombay, throws a very grim light on a side of the Stock Exchange which in our opinion cries for immediate reform. A broker by doing business on his own account renders himself unfit in the very nature of things to safeguard the interests of his clients or to keep secret information with regard to the actions of

his clients and he becomes altogether useless for giving guidance or counsel to his clients as to the best investments which could be taken up and generally his mind is bound to be affected by the very large stake which he is holding in the game in misrepresenting or manipulating the correct facts with regard to the happening and trend of the market. It almost amounts to the brokers running a huge gambling house in which any outsiders who choose to come, come on their own risk and very few go back with any profit. Cases have been known of brokers having grown rich, but very few cases are known to us of people having made any large fortune on the Stock Exchange or having retained them for a considerable length of time. If gambling has been regarded as anti-social the whole outlook of the gambler is that of getting what his neighbours have got by a fair game if possible, but by loaded dice if necessary in sheer revenge for the reverses which he himself has got in the earlier part of his career. The older the gambler the less unscrupulous he becomes, Without straining the analogy too far or without in any way implying any undue moral reflection on the profession of the stock-broker, we would say that unless very drastic steps are taken to insist that the broker will not do business on his own account no reform would be adequate to cure the evils which have been rampant on the Stock Exchange. Amongst such steps my Chamber would suggest the separation of a class of broker and jobber with definite guarantees that the broker will not do business on his own account, and that if it is proved that he is doing business on his own account there would be some machinery for investigating a case and for suspending a broker and for confiscating his card; that the broker should be forced to disclose the name of the jobber from whom he has bought or to whom he has sold.

It is possible that the above reforms may be circumvented by having dummy names of jobbers or by having an inside arrangement between a broker and a jobber. For such difficulties the final cure is not so much in any rule that may be made and passed on papers but in the moral tone and in the strength of public opinion on the Stock Exchange itself as well as the publicity

given to the Stock Exchange transactions and the attention of the public being directed towards them from time to time.

Membership.

A question has been raised that the membership of the Stock Exchange is at present unduly restricted and that the object of this Enquiry Committee is to see more generous admission of foreigners in the work of the Stock Exchange. The Committee of my Chamber have very carefully considered the question of the admission of more foreigners to work on the Stock Exchange and they are stoutly opposed to the idea of making it easier for any foreigner to work on the Stock Exchange than it is at present. In their opinion it is not possible to know the antecedents of a foreigner as well as the antecedents of any Indian who wants to get in, but since the latter has got connections everywhere in India there is a certain amount of moral and public restraint upon his work which cannot be expected in the case of a foreigner. Altogether apart from that it is a very salutary rule to confine the business institutions in a country to the nationals of that country. Any attempt, therefore, on the part of this Committee to recommend the opening of the Stock Exchange to foreigners in a larger measure would discredit the whole of this inquiry as actuated with a sinister desire to call in question the good name of Indians and in order to seek further means of exploiting this country.

The rule for membership of the Stock Exchange should remain as it is, and the authority which would have control of admission should be a board of the brokers themselves. The next question is whether the membership should be uniform of one class or of several classes of members. Apart from brokers and jobbers who will be members, it is worth considering whether a class of associate members consisting of outside parties interested in the operation of stocks and shares might be instituted. To this class will probably be drawn some of the bankers, some of the financiers who are financing the Badlee transactions, some of the speculators who have made it the business of their life to indulge in speculation and who, as

such, employ a good many jobbers as well as brokers. We think that there should be larger control on the operations of any of the parties if they were members of an institution and therefore amenable to discipline than at present from the outside. We also think that the public grievance with regard to the public not having any share in the administration of the Stock Exchange would be to a very large extent curtailed if parties who are not brokers as such were associated with the administration. We suggest the institution of this class of outside men not for heckling purposes but in order to establish better understanding and relationships than at present.

Growth of Speculation.

It is evident that since the establishment of new Banks, both Indian and foreign, greater facilities have been given for carrying over on the Stock Exchange than before they existed. The result of these facilities was to encourage speculation at the hands of men who had few resources except their own brains. Such men indulged in large transactions on the strength of margins and in one way or the other they had the handling of so much money of their own and of their clients that they led the Banks to believe that they were quite *bona fide* operators with large resources. It is reported that these resources were sometimes improved by a personal acquaintance with the Bank official for whom they carried out the transactions. It is generally understood that call loans on favourable terms and overdrafts on exceptionally favourable conditions were given to stock-brokers and even if there was no doubt about the solvency of some of these, such loans invariably assisted speculation.

A lot of money which was going to mills by way of deposits began to be drawn into Badlee operation which yielded as much as 18 to 20 per cent in exceptional cases. A large amount of exceptional profit which was earned at the beginning of the war in imported articles such as iron, sugar, colours, etc., and the profits, which came to be earned immediately on the closing of the war in cotton and cloth

and in miscellaneous articles were also drawn to the Stock Exchange. Nothing was more instructive than the collection of people from all markets near the Stock Exchange on an afternoon and to the wise men nothing indicated the red ruin which was coming more clearly than this fact. Those that had a long vision noticed these factors and a warning was sounded in the month of August 1922 by Honourable Mr. (now Sir) Purshotamdas Thakurdas, the Chairman of the Indian Merchants' Chamber, in the following terms:—

> "But I must refer to what I hope are the last and dying echoes of the war period boom. During that time profiteering and cornering had got fashionable. And those who indulged therein burned their fingers unmistakably in addition to doing incalculable harm to the trade concerned. It would, therefore, be a welcome relief to the commercial community if people begin to forget thinking in crores and tens of crores of rupees as during the boom and return to the modest thousands and lakhs of the pre-war period. Unnatural handling of commodities with a view to squeeze out others has never been known to succeed eventually in even such rich countries as America and England. For such a poor country as India therefore any such tendency is bound to spell ruin and prove suicidal to such operators. What is needed is a return to the old time-honoured practice of small returns and big turnovers and big hauls. I need only refer to this in order to ensure your absolute disapproval of tendencies to corner and to squeeze and I hope that the members of this Chamber particularly, and members of the Indian Commercial community generally will command moral and material strength to discourage all such efforts."

In October 1922 he referred to the same subject in the following terms:—

> "I must here sound a grave warning to the members of the Stock Exchange and remind them that some actions of their

Directors and generally of that body have exasperated the investing public. The public may well say that they tolerated the defects and the short-comings of this body with the utmost indulgence till the beginning of this year. But since then the public have begun absolutely to lose confidence and if the members of the Stock Exchange wish to preserve even their own interests and their own institutions it is very necessary that they forthwith convince the public that they are capable of setting their own house in order, and of satisfying the public that a new and broader constitution and more up-to-date rules and regulations will come into force from say, the 1st of January next at the latest. I would like to remind the present members of the Stock Exchange at this stage that they should realise that the Stock Exchange is an institution of public utility, and although the direct monetary interest of the public as a whole in that institution may be nil, the stake of the public in the proper conduct and control of the machinery of investment is immense.

The Stock Exchange is one of the institutions where democratisation has been most perceived amongst the various commercial bodies in Bombay. I am afraid this democratisation has naturally brought some of the evils connected with it. I would strongly recommend the members of the Stock Exchange therefore to take note of this point and to make energetic and wholehearted efforts to overhaul their existing machinery. In fact they will find it advisable to change the very constitution of their institution for it is now beyond doubt that besides the brokers and members of the Stock Exchange, the investing public must have a voice in the conduct and control of that institution. Unless very effective signs of this are perceived it is extremely likely that this Chamber themselves will have to be one of the parties to a demand that public opinion expressed

till now should be asserted in spite of the long standing and financially strong position of the Stock Exchange.

I do not like to share the pessimism of those who think that the position of the Exchange is beyond remedy. I believe in the strong commonsense of this City and in its capacity to set things right without help from outside. I therefore hope that the moral pressure brought to bear from all quarters will set the ball rolling in the right direction."

Corners.

The Chamber could have officially no cognisance of the various corners which took place on the Bombay Stock Exchange or of the occasions for passing resolutions at the hands of the Board of the Bombay Stock Exchange either in the matter of fixing the rates or prohibiting further dealings in particular shares. A history of some of these corners has been gathered from verbal accounts which have been received from various members of the Chamber, but the Committee will no doubt have got the history of these events from the Association themselves as well as from leading brokers who were active during the period. Granted unrestricted forward business in any particular stocks and shares it is inevitable that some individuals should start calculating. They will reckon up the actual number of shares in existence and the number of shares in the hands of the outside public, *i. e.* that section of the public which is watching out the price in the Bombay Stock Exchange. They will get information as to the current of the market by being constantly in the market and in touch with the brokers as well as with other operators. Added to these general circumstances if they have an inside knowledge as to reduced or increased earnings of a particular concern or any other factors which would better enable them to direct the market along lines selected by them their task would all the more be easy.

What then they have to decide is how many cash shares would be offered to them and to be ready for the amount of cash for the

purpose. On the other hand they have to calculate how many shares would be sold to them on the forward basis, on which if they can maintain the market to the closing day, they could get the difference from the public. The exact period of time during which the market will have to be maintained and the actual number of shares which may come to be sold are so uncertain that the operators are prone to combine either from the start or at some stage of the game with other operators so as to secure greater financial strength and greater facility in concealing the exact dealings of the combine as a whole. While the formation of the syndicate comes about as a natural development, it has also proved on more occasions than one a source of weakness in the sense that the weakest member of the syndicate, if he can be frightened into individual action, could upset the game of every one. The peculiar cases which arise when thieves thus fall out, have not been unknown during the last five years.

We understand that there are occasions on which a corner is forced on a party who did not intend to lead on to the corner to start with. If at any time there is a bull operator who is holding a certain number of shares and is buying more in order to maintain the value, he is faced with sudden factors from outside leading on to a general fall of values in the market, and the bear operators would try to ruin him by selling big quantities of what they do not hold. If he did not then try to maintain the market his previous investments would go down very suddenly. If on the other hand he went on buying and if the downward tendency of the market continues and the bears went on selling, he would soon have bought more than the total number of shares in existence which is tantamount to a corner. Such cases have not been unknown on the Bombay Stock Exchange in view of the peculiar protection which bears can secure from the Board, comment on which will be made hereafter.

The party, who is out to corner, has to face many factors in the market, some of which are :—

(1) The enormous power exercised by the Board who can intervene at any time before the cornering syndicate has had

time to arrange matters as they liked, or to run up the market to the figure desired by them.

(2) The apprehension felt by their own brokers as to the ability of the market to pay the difference, *i. e.* as to the ability of the brokers on the other side to fulfil their obligations. At a particular stage it becomes very clear that if the bull operator is to be overcome with greed he can pull up prices to a figure where repudiation would be easy and general. In this case the broker of the bull party would have to pay down to their clients without getting any difference from the losing parties. While anxious therefore to help their own clients up to a certain point their own brokers have got to turn to the Board as well as to the public and desire that some kind of check should be put to the corner.

(3) The outside public who judges the values of the securities from their own intrinsic value and from their power of earning dividends, is soon warned off that there is brisk speculation in any particular security and therefore leaves it alone. After such a stage is reached the bull operator is going on paying huge brokerages for doing fictitious transactions both of sale and purchase on his own account in the market without being able to inveigle any members of the public into forced sales.

(4) The bull operator finds it increasingly difficult to secure people to carry over his purchases by way of Badlee transactions. He has to go on paying larger and larger interest and even then if the least amount of doubt is thrown on his resources (there are a good many antagonists who are only too ready to play their game) then the more shrewd of the people who turn over their money by way of loans to the Stock Exchange step aside. In the meanwhile all his cash resources are eaten up by the larger number of actual shares delivered into

his hands. On these shares he has got to borrow. A good deal then turns on his ability to manipulate the value put by Banks on these shares and the amount of margin demanded by them. Banks can therefore encourage corners or discourage them according to values put on speculative shares. We have been told that there are cases when Bank managers have taken a more lenient view in the matter of margin than at other times and that in some of these cases the Bank managers were interested parties. We have no means of ascertaining this, but, human nature being what it is, we are inclined to believe that Bank managers would use their discretion in favour of a bull operator towards whom they are friendly for one reason or the other.

For any of the above causes or through all of them when the tide of the public opinion is turned against an operator even those, who are dependent for their daily bread on his favour by way of brokerage work against him. On such occasions it is very difficult for even friendly Directors on the Board of the Stock Exchange to keep up their promises of helping him by their decisions. In the face of a very acute public opinion it is impossible for them to do anything immediately or obviously to help him.

Remedies.

Bombay has passed during the last two years through a danger which, if it had been precipitated, would have involved red ruin on a very large number of people. The Committee would doubtless receive full accounts of this crisis and the manner in which the crisis was averted through the mediation of certain public-spirited parties and the very bold record achieved by one of the leading millowners of Bombay in bringing out fabulously large sums at the notice of practically a few hours. For the future, however, the lessons of that event are not to be forgotten. If the bull syndicate had failed to effect payment, not only would the Stock Exchange

as a whole have been ruined but there would have been difficulties felt in practically every other market. A recurrence of these conditions ought to be made as difficult as possible. In order to avoid these conditions what is wanted is in the first instance to reduce speculation. The following points are suggested for the consideration of the Committee.

(1) *Stop forward transactions:—*

In purely cash dealings the amount of speculation and gambling is bound to be extremely limited. The claim that forward transactions enable values to be maintained is correct to a certain extent and the claim that the floatation of new capital is assisted is also partially correct. But the fact that forward markets are open, secures for the stock-brokers a handsome income by way of brokerage from transactions which are carried on from month to month and the broker community is bound to be bitterly opposed to this suggestion. We recommend that if no other solution is found for avoiding speculation on a large scale with all the attendent evils illustrated in the history of the Bombay Stock Exchange during the last few years forward transactions in shares should be altogether closed at all events for a period of six months or a year until the old fever cools down.

(2) *Admitting all shares to forward transactions:—*

If forward transactions are kept open it is absolutely necessary that no discretion should be left to the Board for admitting or rejecting a particular scrip to forward transaction. Under conditions mentioned before all shares should be open to forward transactions. The question would naturally arise with regard to a share in which there is a corner. It should be admitted after atleast six months when atleast 2/3 of shares are in hands of public.

We think that the position of both broker and client should be better if there were fortnightly settlements instead of monthly. The only objection to this is the need of closing for settlements. If the closing is necessary for three or even five days as at present such a

suggestion is out of the question. But we are told that the present system of closing for settlement is excessive. This is, however, a point on which we do not wish to express an opinion.

The next question which arises is whether prices should be allowed to be quoted of two settlements at the same time. This would be a gain in the sense it would enable a party to switch from one settlement to the other and would thus make any designs by a syndicate on the market more difficult. On the other hand it would introduce complications which we think might be found too much for the Bombay Stock Exchange for some time.

(3) *Breaking the link in forward transactions:—*

This suggestion is favoured by a good many parties and has the merit of having been fully discussed. It was adopted by the Board of Directors of the Bombay Stock Exchange at one time but the resolution came to be rescinded by the general body before it could be put into operation. The main idea here was to extract a guarantee from the bull operator and to test his resources instead of allowing him, if he was able to find financiers, to carry on from month to month indefinitely for a period of two or three years as was done. It has also the merit of reducing the chances of a bull operator in squeezing the market too much or too long. Since his operations can start at a particular month and must be automatically stopped at the end of three months, he gets only two settlements in between. He can, however, by putting down a larger margin carry over through private loans all the actual securities which he holds, but there would be no carry-over of sales or purchases behind which there is neither security nor cash. We have considered this suggestion carefully and are not averse to its adoption, but are not quite clear among other things as to the legal provisions which would be necessary in order to render illegal contract which would be otherwise perfectly correct between one party and another. Any events between closing and re-opening of market would prevent a buyer or seller taking up the thread he left off. Wealthy jobbers will hook in large differences both ways on sqaring of transactions. It is also

to be feared that private carry-overs would take place outside independently of the Stock Exchange. This measure would certainly effectively keep off any bull operator or syndicate as he would not have enough time to play the market up in one direction and then down in another for a considerable period.

(4) *Omitting Rule 26 (a)*:—

This rule gives at present power to the Board of Directors to interfere for the protection of the market. In actul practice this rule has been abused in the interests of bears. We are of opinion that there is no reason to protect those who are going into the situation with their eyes absolutely open. Every actual dealer in shares knows fully that he is dealing in a commodity which is in existence in a limited number and is incapable of being increased or reproduced or substituted. Why a party should be saved from all the consequences of his action has never been made clear. It is always unwise to make provision for emergencies as these provisions come to be used for all ordinary occasions. The feeling that there is the Board behind them with full powers and not unwilling to interfere must influence the course of action of every bear operator. Men have been known to sell beyond their capacity thousands of shares where they possess none in the absolute confidence that they could overwhelm the bull party, weaken his staying power and force him into large purchases, after which they could raise the cry of a corner and go to the Board for assistance. The Board which probably exercised this power at first legitimately and with good intentions, found themselves repeatedly faced with the same situation and we are told that some members of the Stock Exchange made it their practice to force corners. This power must, therefore, be absolutely taken away.

The effect as far as we can see of this power being taken away would be to discourage bearing transactions. A man would be very careful not to sell what he does not possess or for what he cannot have a reasonable chance of possessing in the near future. The bear performs the useful function of supporting the falling market.

As it is the bear who is the purchaser when he tries to cover, his disappearance might be considered a disadvantage. But, without a radical remedy we are not confident that saner conditions could be made to prevail in Bombay.

(5) We would press for the last suggestion and if it is carried out, then we would not suggest interference in the affairs of the Exchange by outsiders in any other way. But, should that suggestion be not carried out, only as an alternative we would recommend the constitution of a special Corner Board. This Board would be constituted of three members of the Stock Exchange to be appointed by the Board of the Bombay Stock Exchange every three months and of five members from outside—two members from the Indian Merchants' Chamber, one from the Millowners' Association, one from the Bombay Chamber of Commerce and one from the Banks in Bombay. This Board would have the power to consider and lay down what constitutes a corner and stop all further dealings in a particular scrip for the time being. The choosing of this moment for stopping dealings in a particular scrip is a matter of great importance. The Board might choose to stop dealings in any share when the price of the share is at 600/-, or they might wait until the price is pushed up by bull operators to 800/-. They might allow the bears to cover up at earlier prices or give them no time to cover up but be in the hands of the bulls and pay the differences at the settlement prices or at the price at which the bear can secure shares from the market in an auction. If there is an effective corner this price would be exactly what he wants. With the provisions made above corners are bound to be less frequent if not impossible. When, however, conditions of corner exist the procedure to be adopted may be something like the following:—

An application will be made to the Board by a ten per cent. of the members of the Exchange saying that in their opinion conditions of corner exist and the Board should intervene. Immediately on the receipt of such application the Board should meet and if in their opinion a *prima facie* case has been made out by the applicants they should forthwith stop dealings in that particular share and then

institute an inquiry. They should call upon every member of the Exchange who has dealings in these shares either way to declare such dealings. Any dealings not declared in this manner would be liable to be cancelled. In the shortest moment of time they are bound to get at absolutely clear notion as to whether a certain number of shares sold by various parties exceeds the number in existence and how many false sales exist. The Board would then proceed to fix prices. They would have before them as guide the last highest transaction, *i. e.* the highest on the closing day. This may be high if bulls have been firm or low if bears have been confident that closure was coming, and have been making sales. A suggestion has been made that some basis of intrinsic value should be before the mind of this Board and not merely the actual transactions on the last closing date. This would be a sound suggestion if there was a method of getting at the intrinsic value. Comparison with scrips of mills associated and generally running parallel in values can be only a guide. Discretion must, therefore, be vested in this Board to see whether any particular party has been at fault in the course of transactions and to give either the last price quoted plus twenty per cent. by way of penalty to the bears or the last price quoted minus twenty per cent. by way of penalty to the bulls.

We had our attention drawn to large sales of a fictitious nature made by the bull through various Banks and through the intermediary of various friends. This is done in order to secure a higher recorded transaction on the Exchange than would be possible in the Exchange itself. A complaint has been made by the Chairman of the Stock Exchange in this direction. To such tactics we do not ourselves see any antidote and feel that it would make the task of fixing prices extremely difficult.

In making the above suggestion we are conscious that even the reformed Board might be faced with problems similar to what confronted the Board between 1919 and 1922. The presence of the five representatives from outside would guarantee consideration from the larger point of view of the City's finance and economic life rather

than the point of view of the bears in the market. It would also obviate the risk of corruption, of which so much has been spoken and which must continue in some measure to exist if the present constitution is left unaltered. It would give that elasticity in the market which is very desirable but it must leave to the bears some confidence that prices will not be allowed to run up against them if only they can force the bull to purchase more than the existing number of shares. This is bound to go on making them reckless, but we are making this recommendation only as an alternative to No. (4) and are fully aware that it has all the short-comings of a make-shift compromise.

Rate of Brokerage.

The present rate of brokerage is unduly high. Eight annas per cent. should be reduced in future to four annas per cent. which is paid to most brokers. Brokerage should be put down on every contract distinctly and should not be included in the price as it is done at present. This prevents the checking up of the transaction by the client and militates against any inquiry which it may be necessary to institute.

The employment of one broker by another for transactions on half-brokerage or even at full brokerage ought to be disallowed.

Charter.

When the reforms mentioned above are carried out there will emerge a chastened institution which we think will be fully competent to deal with the needs of the City and the country. Such an institution would, however, have its hands very much strengthened if it were protected against the possibility of a new stock exchange being started at any time by any section which is dissatisfied either with its restraint or with its powers. For this purpose as well as for removing doubts which have been thrown from time to time on the lagality of powers exercised by the Stock Exchange we think that a charter of incorporation should be given to the Stock Exchange under

an act of the Legislative Council of Bombay. We are further of opinion that all the recommendations of the Atlay Committee should be embodied in a bill forthwith and should be presented to the Legislative Council, and the adoption or non-adoption of them should not be left to the sweet will and caprice of the members of the Stock Exchange. If what Mr. Shroff has been saying on behalf of the Bombay Stock Exchange is really a representative opinion of the members of the Stock Exchange, we are of opinion that a drastic imposition from the top of a constitution and settled rules are necessary in public interest. Even if the members of the Stock Exchange are ready and willing to adopt some of the recommendations there is always the danger that the recommendations may be either a dead letter and may not be acted upon or may be altered and dealt with in the same unbusinesslike manner as the question of framing new rules has been dealt with during the last three or four years. The present Stock Exchange in our opinion is too much cut up by party factions and Hindu-Parsi feeling and by a vain conceit that everything is perfect and that brokers are not only incorruptible but unsurpassed in wisdom. It is not the intention of our Chamber to decry a sense of robust self-confidence to a body affiliated to them, but they have been dismayed at the utterances of Mr. Shroff, the Chairman and fear that the present inquiry will be infructuous in case the brokers are left again to themselves to adopt such reforms as they like. The fact that brokers have failed during the last five years to carry out even those elementary necessities of constitution indicates the danger to public interest in leaving matters alone. We understand that after the resignation of Mr. Kikabhai Premchand the Stock Exchange carried on for a period of over six months without a Chairman. Since the Chairman of the Stock Exchange enjoys a position of so many privileges including those of closing the market and fixing the rates, it is extraordinary that an institution should have drifted in this manner for any length of time. Not only are we deterred at the ghastly failure of the institution to adopt the new rules in a constitutional manner, but we have also the case of the corner committee which was appointed to determine clear conditions of corner, but which it appears never reported. It even discontinued

the sittings because some of the members of the corner committee were concerned in the corners and were not inclined to enunciate clear conditions or to act with the necessary public spirit.

If the constitution of the Stock Exchange is embodied in a bill granting charter to the present Exchange we would like the word "Native" in the present designation of the Exchange to be substituted by the word "Indian."

The Constitution of the Board of Management.

The greater the powers left in the hands of the Board the more necessary it becomes to look into the constitution and to ensure that the best men are selected and that they carry on the work in the full light of public opinion. We trust that the Committee will make a searching inquiry into the causes why at present men with resources and men with reputation and those who must be regarded as leading brokers do not seek election to the Board. It is also necessary to find out why some of them went out in a body. We are inclined to think that the position of the Directors is very difficult. They are constantly being tempted by operators outside who would gladly enable them to make money if only they promised to be amenable to their tactics. It is very hard for Directors, who are also brokers, to incur the hostility of big operators or to abandon such work as is coming to their firm in the natural course of affairs. They are often not able to give proper information to their own clients if they are not in touch with work of the operators and they would be at a disadvantage for business which they have got standing on their own account.

On the other hand we think that attacks have been made on Directors from time to time by the so-called meetings of general bodies. We are told that on one occasion a meeting was held outside the Board room which shouted down the Directors and asked them to clear out. The more rowdy and undisciplined elements amongst the brokers ought to be suppressed if some good is to be secured and the Directors, who are exposed at present to attacks of paid men, should also be protected against such attacks.

The Board of Directors would continue to have in spite of the reforms suggested above considerable powers. They would, for example, have disciplinary powers over the members of the Stock Exchange and be free to inquire into the conduct of any member as affecting the Exchange or as affecting any member of the public. These powers should not be merely theoretical, but the Board should exercise them whenever the occasion arises and should be free to call for the books of any members or otherwise warn him off, or, if he is found trading on his own account or cheating any member of the public, to inflict on him a fine with a warning, or to suspend him or to deprive him of his membership.

Disciplinary Powers.

At the root of most of the evils in the Bombay Stock Exchange is the very low average of intelligence amongst the brokers. As the membership card is regarded as an asset to be kept in the family and is transferable from father to son or could be given away by way of gift, or, subject to the sanction of the Board, is transferable after the death of the holder for money, there appears to be no preliminary test of the intelligence of the party who is admitted to full membership. We recognise that the imposition of such a test would be something of hardship as things are. We would, therefore, leave it to the Committee to think out by which means a full member of the Stock Exchange would be well-informed person fully cognisant of ordinary course of behaviour and conduct and who would have some sense of responsibility to his clients and to the public as well as to the Association of which he is a member.

Information.

We have found some brokers not only ignorant of what is going on around them in the world but grossly ignorant of the affairs of their own City as well as of the industries in whose shares they are dealing. To the extent to which correct information is defective, the desire to credit whatever rumour is going without checking it for oneself is great. We have heard it seriously suggested

that "Alcock shares must go up as they have installed new looms" and that "Shivrajpur has sold one thousand bales of yarn at profitable rates for China"! Even if the bulk of the members of the Exchange do not fall into grotesque errors of this kind their ignorance of the affairs of joint-stock companies, of their resources and of the factors which affect industries generally, is certainly colossal. If speculation must exist wherever there is a market, it is necessary to direct it along healthy channels and this direction cannot be given by the brokers as long as they are in their present backward condition. The very large panic in which the market falls from time to time is significant. Unable to judge for themselves the exact effect of any particular fiscal or financial measure the least little rumour from Delhi or Simla turns a good many of them into incorrigible bears. In the same manner with regard to the internal administration of concerns, of which shares are in the market, information or half-information is received, twisted, exaggerated and passed on. The manner in which the reputation of parties is destroyed mostly through ignorance but often unscrupulously, the manner in which Banks are attacked and other institutions generally, is something shocking. All these unhealthy features could be only removed when the general intelligence of the brokers has been raised.

Behaviour.

We are astounded to read in the only newspaper published in connection with the Bombay Stock Exchange, "Gustad" dated 4th of March 1922, the following paragraph :—

> "People should forgive in a large-minded manner whatever may have been spoken on account of the tussle (hand to hand fight) which occured owing to anger of the members of the Board at the time of the discussion over Finlay shares."

We would hardly have credited any mere verbal report of this kind. We are aware that the Board was not unanimous when they fixed the rate in Finlay corner, but we could never imagine that the

Directors owing to their failure to come to a unanimous decision would go to the length of a free fight.

Cases have also been reported to us when meetings of Board of Directors were broken up, when there were disorder and big noise in general meetings of the Stock Exchange and that in the actual course and conduct of business there has been disturbance leading to pushing one another and to assaults. For a body occupying the big position in one of the biggest financial centres of the world this is most unworthy and immediate steps should be taken to bring in any case of misbehaviour inside the precincts of the Stock Exchange to the notice of the Board and the Board should have disciplinary powers not merely in theory, but should exercise these powers vigorously so as to set an example. These powers should amount to the infliction of a fine in round sum, or the forfeiture of half the brokerage for a period of three months, or the deprivation of membership without the membership card being transferable either to members of the family or to any strangers.

Morale.

We have been told in the discussion in the Legislative Council that the general morale of the brokers in Bombay has been somewhat low. In proof of this statement cases were cited when libellous statements were made by some members about other members and there were libel suits. As a further indication of weakness in the same direction we have had several cases mentioned to us (which we are not willing to discuss with names) of not only members but members of the Board who supported action of some kind or the other in consideration of direct receipt of money or indirect advantages by way of brokerages given by outsiders. We think the morale of a community is not anything very inherent in itself but is dependent upon tradition and public opinion. On the one hand brokers are carrying on transactions of a very large magnitude often by mere signs and gestures and certainly by nothing except a Cutcha notation in their books. The fact that we have not heard of many cases of repudiation seems to show that their morale is not bad in a certain direction.

This is due to the fact that public opinion amongst the brokers themselves would regard it as an extremely serious thing for any party to repudiate transactions made in the precincts of the Stock Exchange. It is, therefore, a lack of general public opinion which leads to the weakness in the other direction. How this could be built up we do not know except by the fact that the more leading brokers should realise that the future of the Stock Exchange depends altogether on the standard of morale which they maintain and which they insist on being maintained by others. Exemplary punishments in the way of discipline should be meted out to parties responsible for careless or loose or spiteful statements after careful inquiry by the Board.

In particular we think that a good deal of the evil arises from the misbehaviour not of the principal broker but of his employees. It is necessary that employees of the brokers should be licensed. It is these irresponsible employees who create the biggest amount of noise and who are not above abusing one another or entering into a free fight. These licenses should be given by the Board of the Stock Exchange and the forfeiture of the license of any particular man ought to make him ineligible for service under any broker.

Recording.

We think that the office of the Stock Exchange should be strengthened and that there should be a paid Secretary receiving from Rs. 1000 to 2000 per month. It would be the business of this Secretary under the control, guidance and direction by the Board to see that a proper system of recording transactions takes place. At present this system is defective. It should be necessary to record transactions as they take place in order to enable complaints from any client to be properly investigated. Our chamber would leave in the hands of the Chairman of the Stock Exchange Committee the fixing of the details of the system of record, emphasising that nothing will be more salutary than precise information and the possibility of getting it without much trouble in case of complaints. The whole course of transactions in the market in the order in which they occur should be recorded and the record should be available for information

Partnership.

Partnership between a member of the Exchange and any other party who is not a member of the Exchange should be prohibited. The institution of sub-brokers, which is at present in vogue, would then disappear and it would not be a disadvantage. It will also be impossible for a broker to keep any share in any syndicate of operators outside, as if it gets found out, he will be liable to have his membership card forfeited.

In making the several recommendations as above we have been influenced by a desire to see free negotiability in the market without being subjected to any arbitrary restrictions. The public complaint against the Stock Exchange has been that they have interfered with the course of the market according as it suited them. We have already indicated that in the listing of shares for forward transactions absolutely arbitrary methods were adopted. We are further told that Directors, who at the time of the corner in Standard, Finlay and Kohinoor were against interference, made the practice at the time of the corner of Madhavji, David, Currim and Fazalbhoy, to demand interference in the very earlier stages. We are further told that men who were bears in Bombay and were favouring interference as well as fixing of rates were indulging in corners in Ahmedabad. It is for the Committee to ascertain how far these facts are true. We have also heard that the same set of men were foremost in making applications for fixing rates. We have not got enough material in our hand to examine whether the same names recur in the several applications made to the Board to declare a corner and to restrict the rates.

We think the reforms suggested above would not only tend to reduce speculation and enforce a sense of responsibility on the broker but would secure greater attention to securities as investment and to the close examination of a very large number of securities instead of attention being confined to securities as a means of speculation and gambling.

APPENDIX 50.

ROYAL COMMISSION ON THE SUPERIOR CIVIL SERVICES IN INDIA.

No. 2097-F of 17th November 1923.

From the Government of Bombay, Finance Department to Chamber.

In continuation of Government letter No. 2097 Confl. dated 30 October 1923, I am directed to forward a copy of the revised questionnaires of the Royal Commission on the Superior Civil Services in India, and to request that if possible 20 copies (in print or type) of your reply, may be despatched direct to the Royal Commission Camp, India at the earliest practicable moment. The Commission have stated that in their view it is most undesirable that the replies from the bodies and individuals whose opinions have been invited should be withheld until a few days before the Commission hears verbal evidence in Bombay.

Royal Commission on the Superior Civil Services in India.

1.—Questionnaire on the Organization of the Services.

1. In the light of the experience now gained of operation of the system of government established by the Government of India Act, and in view of the avowed policy of Parliament as contained in the preamble of that Act, do you consider that any readjustment of the position of any or all of the All-India Services is required, and, in particular, would it be possible to transfer immediately or gradually any of their present duties and functions to Services constituted on a provincial basis? If, in your opinion, any readjustment is necessary, what should be the place and functions of these Services, and especially of the Indian Civil Service, in the government of India?

2.* The tables annexed set out the principal classes of superior appointments at present held by members of the All-India Services. To what extent, in each of these classes, do you consider that European personnel must at present be retained for the maintenance of a standard of administration in accordance with the responsibilities of the Crown for the government of India, and do you consider that any progressive reduction of this European element will be practicable within, say, the next 20 years?

3. Do you consider that the European element in the Services should be appointed and controlled by the Secretary of State in Council as members of Services organised on an All-India basis with the safeguards and conditions at present attaching to that organisation, or should it be appointed and controlled by the Government of India, or, where the duties concerned are under a Local Government, by the Local Government?

4. Having regard to the declared policy of Parliament in respect of increasing the association of Indians in every branch of the administration, and to the provision in Section 84-A of the Government of India Act for the appointment of a Statutory Commission in 1929 to report on the extent to which it is desirable "to extend, modify or restrict the degree of responsible government then existing" in India; and having regard also to the importance of offering to recruits a career of adequate security and opportunity; on what conditions do you consider that the European element in the Services should be recruited? In particular, do you consider that engagements on short term contracts would be suitable as a substitute for permanent appointments; and, if so, to what extent and in what branches of the Services?

5. Do you consider that the Secretary of State in Council should continue to appoint and control the Indians required for

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* The scales on which Indians are being recruited for the various Indian Services under existing rules are shown in appendix III to the questionnaire.

duties and functions of the kind at present performed by the All-India Services; or should they be appointed by the Government of India or by Local Governments? If you hold the former view, do you consider that any alterations are necessary in the methods adopted for the recruitment of Indians for the All-India Services?

6. Do you consider that the existing rates of pay for the All-India Services are suitable (*a*) for Europeans (*b*) for Indians? If not, what readjustments do you suggest?

7. If Local Governments should appoint the personnel required for the duties and functions referred to in 5, would it be preferable to organise them as separate superior Provincial Services or to amalgamate them with the existing Provincial Services? In the latter alternative, what scales of pay would, in your opinion, be necessary to obtain recruits of the required standard?

Appendix I.

Terms of Reference of Royal Commission on the Superior Civil Services in India.

Whereas, having regard to the necessity for maintaining a standard of administration in conformity with the responsibilities of the Crown for the Government of India, and to the declared policy of Parliament in respect of the increasing association of Indians in every branch of the administration, and in view of the experience now gained of the operation of the system of Government established by the Government of India Act in respect of the superior Civil Services in India, We have deemed it expedient that a Commission should forthwith issue to enquire into:—

(1) The organisation and general conditions of service, financial and otherwise, of those Services;

(2) The possibility of transferring immediately or gradually any of their present duties and functions to services constituted on a provincial basis;

(3) The recruitment of Europeans and Indians respectively for which provision should be made under the Constitution established by the said Act, and the best methods of ensuring and maintaining such recruitment; and to make recommendations.

Appendix II.

Table of Principal Classes of Superior Appointments under the Government of India held by Members of the All-India Services.

Indian Civil Service—

Appointments under the Foreign and Political Department.

Commissioner, Northern India Salt Revenue Department.

Census Commissioner.

Director General of Commercial Intelligence.

Collector of Customs.

Accountant General and Chief Auditor.

Deputy Controller of Currency.

Controller of Currency.

Auditor General.

Miscellaneous posts such as Opium Agent, etc.

Postmaster-General.

Indian Civil Service—*contd.*

Deputy Director General of the Post Office.

Director General of Posts and Telegraphs.

Deputy Secretary and Secretary to Government of India.

Member of Central Board of Revenue.

Puisne Judge, Calcutta High Court.

Member of Governor General's Executive Council.

Miscellaneous posts such as Chief Commissioner, Delhi, Andaman and Nicobar Islands, etc.

Appendix II.—*contd.*

Indian Police Service—

Assistant Director, Deputy Director and Director, Intelligence Bureau.

Indian Forest Service—

Scientific posts at the Forest Research Institute and College such as Forest Economist, etc.

President, Research Institute.

Inspector General of Forests.

Indian Educational Service—

Educational Commissioner.

Appointments of masters on the Chiefs' Colleges cadre under the Political Department.

Indian Agricultural Service—

Agricultural Chemists, Imperial Agriculturists, etc.

Director of the Agricultural Research Institute and College, Pusa.

Agricultural Adviser to the Government of India.

Indian Service of Engineers—

Executive Engineer.

Superintending Engineer.

Chief Engineer.

Consulting Engineer.

Railways—

Executive Engineer.

Superintending Engineer.

Chief Engineer and Deputy Chief Engineer.

Members, Railway Board.

Indian Medical Service—

Appointments of Agency and Residency Surgeons under the Political Department.

Scientific posts such as Director of Medical Research.

Director, Central Research Institute, Kasauli, etc.

Public Health Commissioner.

Assistant Director, Deputy Director, Director General, Indian Medical Service.

Indian Veterinary Service—

Scientific posts at the Imperial Bacteriological Laboratory, Mukhtesar, such as Director, Bacteriologists, etc.

Appendix II—*contd.*

Table of Principal Classes of Superior Appointments under the Provincial Governments held by Members of the All-India Services

Indian Civil Service—

Sub-Collector, 1st grade, Madras.

Magistrate Collector, Deputy Commissioner, or Settlement Officer.

District and Sessions Judge or Divisional Judge.

Deputy Secretary and Secretary to local Governments and Boards of Revenue.

Commissioner.

Member of Boards of Revenue and Financial Commissioner

Civilian Judge of High Courts and Judical Commissioner.

Member of Governor's Executive Councils.

Indian Police Service—

Superintendent.

Deputy Inspector General.

Deputy Commissioner and Inspector General.

Commissioner of Police (*e.g.*, Bombay).

Indian Educational Service—

Inspector of Schools.

Principal and Professor of College.

Deputy Director and Director of Public Instruction.

Indian Forest Service—

Deputy Conservator.

Conservator.

Chief Conservator.

Indian Forest Engineering Service—

Forest Engineers.

Indian Agricultural Service—

Scientific posts, such as Economic Botanist, etc.

Principal and Professor of Agricultural College.

Deputy Director of Agriculture.

Director of Agriculture.

Appendix II.—*contd.*

Indian Service of Engineers—

Irrigation—

Executive Engineer.

Superintending Engineer.

Chief Engineer.

Buildings and Roads—

Executive Engineer.

Superintending Engineer.

Chief Engineer.

Indian Veterinary Service—

Principal and Professor of Veterinary College.

Chief Superintendent.

Superintendent and Veterinary Advisers to Government.

Indian Medical Service—

Civil Surgeon.

Chemical Examiner.

Director of Provincial Bacteriological Laboratory.

Director of Pasteur Institute, etc.

Health and Sanitary Officer.

Superintendent, Surgeon and Physician of Hospital.

Principal and Professor of College.

Assistant Director of Public Health.

Director of Public Health.

Superintendent of Jails, Asylums, etc.

Inspector General of Prisons.

Inspector General of Civil Hospitals.

Surgeon General.

Appendix III.

Statement showing the scales on which Indians are being and will be recruited for the All-India Services under present rules.

Indian Civil Service	...	37½ per cent. rising by 1½ per cent. annually up to 48 per cent.

Indian Police Service	...	33 per cent. in provinces other than North-West Frontier Province, and Burma. For North-West Frontier Province proportion is restricted to 10 per cent. and for Burma to 22 per cent. of which at least 15 should be Burmans.
Indian Forest Service	...	The percentage of direct recruitment of Indians has been fixed at 40 for India and 25 for Burma for a period of 5 years from 1921. This includes Indians recruited both in England and India. In addition recruitment by promotion from the Provincial to the Imperial Service has been fixed at 12.5 per cent. of the posts in the Imperial Service.
Indian Agricultural Service...		Composition of the Service to be worked up to 50 per cent. Indian, by appointment of Indians, as qualified candidates become available. No definite scale of annual recruitment has been laid down.
Indian Veterinary Service	...	Composition of the Service to be worked up to 50 per cent. Indian by appointment of Indians, subject to their attaining the requisite standard of efficiency. No definite scale of annual recruitment has been laid down.

Indian Educational Service (Men's Branch).	The general rule is that in regulating annual direct recruitment 50 per cent. should be Indians, until 50 per cent. of the composition of the Service is Indian. Indians transferred in posts transferred from the Provincial to the Imperial Service are not included in this 50 per cent. No definite percentage has been laid down for Burma.
Women's Branch ...	No definite percentage has been fixed.
Indian Service of Engineers.	50 per cent. recruited in England, and 50 per cent. in India. Of the 50 per cent. recruited in England 10 per cent. must be Indians. For Burma the percentage recruited in England is 67 instead of 50.
Indian Medical Service ...	The recruitment ratio fixed in 1915 was 2 Europeans to 1 Indian. Proposals to increase the ratio of Indians are at present under discussion.

Appendix IV.

Statutory Provisions and Rules defining and regulating the position of the Indian Services, and in particular of the All-India Services.

Extracts from Government of India Act.

45A.—(2) Without prejudice to the generality of the foregoing

powers [in regard to the classification of central and provincial subjects], rules made for the above-mentioned purposes may :—

* * * * * *

(iv) provide for regulating the exercise of the authority vested in the local government of a province over members of the public services therein.

67A.—(3) The proposals of the Governor-General in Council for the appropriation of revenue or moneys relating to the following heads of expenditure shall not be submitted to the vote of the Legislative Assembly, nor shall they be open to discussion by either chamber at the time when the annual statement is under consideration, unless the Governor-General otherwise directs :—

* * * * * *

(iii) Salaries and pensions of persons appointed by or with the approval of His Majesty or by the Secretary of State in Council.

72D.—(3) Nothing in the foregoing subsection * shall require proposals to be submitted to the [governor's legislative] council relating to the following heads of expenditure : —

* * * * * *

(iv) Salaries and pensions of persons appointed by or with the approval of His Majesty or by the Secretary of State in Council.

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*The foregoing sub-section requires that "The estimated annual expenditure and revenue of the province shall be laid . . . . before the [governor's legislative] council in each year, and the proposals of the local government for the appropriation of provincial revenues and other moneys in any year shall be submitted to the vote of the council in the form of demands for grants."

96B.—(1) Subject to the provisions of this Act and of rules made there-under, every person in the civil service of the Crown in India holds office during His Majestys' pleasure, and may be employed in any manner required by a proper authority within the scope of his duty, but no person in that service may be dismissed by any authority subordinate to that by which he was appointed, and the Secretary of State in Council may (except so far as he may provide by rules to the contrary) reinstate any person in that service who has been dismissed.

If any such person appointed by the Secretary of State in Council thinks himself wronged by an order by an official superior in a governor's province, and on due application made to that superior does not receive the redress to which he may consider himself entitled, he may, without prejudice to any other right of redress, complain to the governor of the province in order to obtain justice and the governor is hereby directed to examine such complaint and require such action to be taken thereon as may appear to him to be just and equitable.

(2) The Secretary of State in Council may make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances, and discipline and conduct. Such rules may, to such extent and in respect of such matters as may be prescribed, delegate the power of making rules to the Governor-General in Council or to local governments, or authorise the Indian legislature or local legislatures to make laws regulating the public services:

Provided that every person appointed before the commencement of the Government of India Act, 1919, by the Secretary of State in Council to the civil service of the Crown in India shall retain all his existing or accruing rights, or shall receive such compensation for the loss of any of them as the Secretary of State in council may consider just and equitable.

(3) The right to pensions and the scale and conditions of pensions of all persons in the civil service of the Crown in India appoin-

ted by the Secretary of State in Council shall be regulated in accordance with the rules in force at the time of the passing of the Government of India Act, 1919. Any such rules may be varied or added to by the Secretary of State in Council and shall have effect as so varied or added to, but any such variation or addition shall not adversely affect the pension of any member of the service appointed before the date thereof.

Nothing in this section or in any rule thereunder shall prejudice the rights to which any person may, or may have, become entitled under the provisions in relation to pensions contained in the East India Annuity Funds Act, 1874.

(4) For the removal of doubts, it is hereby declared that all rules or other provisions in operation at the time of the passing of the Government of India Act, 1919, whether made by the Secretary of State in Council or by any other authority, relating to the civil service of the Crown in India, were duly made in accordance with the powers in that behalf, and are confirmed, but any such rules or provisions may be revoked, varied, or added to by rules or laws made under this section.

96c.—(1) There shall be established in India a public service commission, consisting of not more than five members, of whom one shall be chairman, appointed by the Secretary of State in Council. Each member shall hold office for five years, and may be reappointed. No member shall be removed before the expiry of his term of office, except by order of the Secretary of State in Council. The qualifications for appointment and the pay and pension (if any) attaching to the office of chairman and member shall be prescribed by rules made by the Secretary of State in Council.

(2) The public Service Commission shall discharge, in regard to recruitment and control of the public services in India, such functions as may be assigned thereto by rules made by the Secretary of State in Council.

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96E.—Rules made under this Part* of this Act shall not be made except with the concurrence of the majority of votes at a meeting of the Council of India.

97.—(1) The Secretary of State in Council may, with the advice and assistance of the Civil Service Commissioners, make rules for the examination, under the superintendence of those Commissioners, of British subjects, and of persons in respect of whom a declaration has been made under section 96A† of this Act, who are desirous of becoming candidates for appointment to the Indian Civil Service.

(2) The rules shall prescribe the age and qualifications of the candidates, and the subjects of examination.

(2A) The admission to the Indian Civil Service of a British subject who or whose father or mother was not born within His Majesty's dominions shall be subject to such restrictions as the Secretary of State in Council, with the advice and assistance of the Civil Service Commissioners, may think fit to prescribe, and all such restrictions shall be included in the rules.

(3) All rules made in pursuance of this section shall be laid before Parliament within fourteen days after the making thereof, or, if Parliament is not then sitting, then within fourteen days after the next meeting of Parliament.

(4) The candidates certified to be entitled under the rules shall be recommended for appointment according to the order of their proficiency as shown by their examination.

(5) Such persons only as are so certified may be appointed or admitted to the Indian Civil Service by the Secretary of State in Council.

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* Part VIIA relating to the Civil Services in India.

†Section 96A provides that the Governor-General in Council, with the approval of the Secretary of State in Council, may, by notification, declare that any named ruler or subject of any State in India shall be eligible for appointment to any civil or military office under the Crown to which a native of British India may be appointed, or any named subject of any State, or any named member of any independent race or tribe, in territory adjacent to India, shall be eligible for appointment to any such military office.

(6) Notwithstanding anything in this section, the Secretary of State may make appointments to the Indian Civil Service of persons domiciled in India, in accordance with such rules as may be prescribed by the Secretary of State in Council with the concurrence of the majority of votes at a meeting of the Council of India.

Any rules made under this subsection shall not have force until they have been laid for thirty days before both Houses of Parliament.

98. Subject to the provisions of this Act, all vacancies happening in any of the offices specified or referred to in the Third Schedule to this Act,* and all such offices which may be created hereafter,

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* Third Schedule to the Government of India Act, Section 98:—

Offices Reserved to the Indian Civil Service.

A.—Offices under the Governor-General in Council.

1. The offices of Secretary, joint Secretary, and deputy Secretary in every department except the Army, Marine, Education, Foreign, Political and Public Works Departments: Provided that, if the office of secretary or deputy secretary in the Legislative Department is filled from amonng the members of the Indian Civil Service, then the office of deputy secretary or secretary in that department, as the case may be, need not be so filled.

2. Three offices of Accountants General.

B.—Offices in the Provinces which were known in the year 1861 as "Regulation Provinces."

The following offices, namely :—

1. Member of the Board of Revenue.
2. Financial Commissioner.
3. Commissioner of Revenue.
4. Commissioner of Customs.
5. Opium Agent.
6. Secretary in every department except the Public Works or Marine Departments.
7. Secretary to the Board of Revenue.
8. District sessions judge
9. Additional district or sessions judge.
10. District magistrate.
11. Collector of Revenue or Chief Revenue Officer of district.

shall be filled from amongst the members of the Indian Civil Service.

99.—(1) The authorities in India, by whom appointments are made to offices in the Indian Civil Service, may appoint to any such office any person of proved merit and ability domiciled in British India and born of parents habitually resident in India and not established there for temporary purposes only, although the person so appointed has not been admitted to that service in accordance with the foregoing provisions of this Act.

(2) Every such appointment shall be made subject to such rules as may be prescribed by the Governor-General in Council and sanctioned by the Secretary of State in Council with the concurrence of a majority of votes at a meeting of the Council of India.

(3) The Governor-General in Council may by resolution, define and limit the qualification of persons who may be appointed under this section, but every resolution made for that purpose shall be subject to the sanction of the Secretary of State in Council, and shall not have force until it has been laid for thirty days before both Houses of Parliament.

100.—(1) Where it appears to the authority in India by whom an appointment is to be made to any office reserved to members of the Indian Civil Service, that a person not being a member of that service ought, under the special circumstances of the case, to be appointed thereto, the authority may appoint thereto any person who has resided for at least seven years in India and who has, before his appointment, fulfilled all the tests (if any) which would be imposed in the like case on a member of that service.

(2) Every such appointment shall be provisional only, and shall forth-with be reported to the Secretary of State, with the special reasons for making it; and, unless the Secretary of State in Council approves the appointment, with the concurrence of a majority of votes at a meeting of the Council of India, and within twelve months from the date of the appointment intimates such approval to the authority by whom the appointment was made, the appointment shall be cancelled.

101.—(3) A judge of a high court must be—

(*b*) a member of the Indian Civil Service of not less than ten years' standing, and having for at least three years served as, or exercised the powers of, a district judge.

* * * * *

(4) Provided that not less than one-third of the judges of a high court, including the chief justice but excluding additional judges, must be such barristers or advocates as aforesaid, and that not less than one-third must be members of the Indian Civil Service.

Extract from the (Devo ution) Rules made under Section 45 A (2).

10. The authority vested in the Local Government over officers of the public services employed in a Governor's Province shall be exercised in the case of officers serving in a department dealing with reserved subjects by the Governor in Council, and in the case of officers serving in a department dealing with transferred subjects by the Governor acting with the minister in charge of the department: provided that—

(*a*) no order affecting emoluments or pensions, no order of formal censure, and no order on a memorial shall be passed to the disadvantage of an officer of an all-India or provincial service without the personal concurrence of the Governor; and

(*b*) no order for the posting of an officer of an all-India service shall be made without the personal concurrence of the Governor.

11. If an officer performs duties both in a department dealing with reserved subjects and in a department dealing with transferred subjects, the Governor shall decide in which department he shall be deemed to be serving.

12. A local Government shall employ such number of Indian Medical Service officers in such appointments and on such terms and conditions as may be prescribed by the Secretary of State in Council.

Rules under Section 96 B (2) of the Government of India Act.

In exercise of the powers conferred by section 96B (2) of the Government of India Act, the Secretary of State in Council, with the concurrence of the majority of votes at a meeting of the Council held this 22nd day of December 1920, hereby makes the following rules under the said section, which shall apply only to Governor's provinces, and shall have effect from the several dates appointed for the coming into operation of the said section in those provinces.

Classification of Officers under Administrative Control of local Governments.

I. Officers under the administrative control of Local Governments, other than officers employed on the administration of central subjects and appointed by the Secretary of State or the Government of India, shall be classified in the following divisions, namely :—

(1) the all-India Services.

(2) the Provincial Service.

(3) the Subordinate Services.

(4) officers holding special posts.

Definition of all-India Services.

II. The all-India services shall consist of—

(a) all officers serving under local Governments who are members of any of the following services—

(1) the Indian Civil Service,

(2) the Indian Police Service,

(3) the Indian Forest Service,

(4) the Indian Educational Service,

(5) the Indian Agricultural Service,

(6) the Indian Service of Engineers,

(7) the Imperial branch of the Civil Veterinary Department,

(8) officers of the Indian Medical Service in Civil employ,

and any other service declared by the Secretary of State in Council to be an all-India Service; *

(*b*) military officers and other officers holding posts borne on the provincial cadres of the above services.

Definition of Provincial Services.

III.—(1) The provincial services shall consist of the services shown in the schedule to these rules, and any other service declared by the local Government to be a provincial service.

(2) The services shown in the schedule shall include all appointments at present included in these services, and any appointments which a local Government may add thereto:

Provided that if any service not included in the schedule to these rules is declared to be a provincial service, or if any appointment of a kind or class not at present included in a provincial

* By Resolution in Council, dated 12th December 1922, item (7) was altered to "the Indian Veterinary Service" and by Resolution, dated 5th September 1923 "the Indian Forest Engineering Service" was added.

service is added thereto, such declaration or addition shall be without prejudice to the rights and prospects of members of provincial services affected who were appointed before these rules were made.

Definition of Subordinate Services.

IV. The subordinate services shall consist of all minor administrative, executive and ministerial posts to which appointments are made by the local Government or by an authority subordinate to the local Government.

Special Posts.

V. Special posts shall include all posts of a special or technical character, not included in an all-India or provincial service, to which appointments are made by the local Government or by any other authority on behalf of the local Government and which are declared by the local Government to be special posts.

Appointments to all-India Services.

VI.—All first appointments to an all-India service, other than appointments made by promotion to such service of officers belonging to some other service or of members of the bar appointed to posts ordinarily held by members of the Indian Civil Service, shall be made by the Secretary of State in Council.

VII. Save as provided in the rules or orders regulating the recruitment of the all-India services, no person may be appointed without the previous sanction of the Secretary of State in Council to any posts borne on the provincial cadre of such service except a person who is either a member of such service or is already holding a post borne on the cadre of such service :

Provided that the local Government may appoint a member of the Indian Civil Service to the post of Inspector-General of Police or to the post of Director of Agriculture.

Promotion of Officers of all-India Services.

VIII. The local Government has authority to promote officers of an all-India service to any post borne on the provincial cadre of such service:

Provided that the prior approval of the Governor-General in Council is required to—

(1) the appointment of officers with less than 25 or 18 years' service respectively to the posts of Chief and Superintending Engineers in the province of Assam, and

(3) appointments except in the provinces of Madras and Bombay to the posts of—

(*a*) Chief Conservator of Forests, and

(*b*) Conservators of Forests.

Transfer of Officers of all-India Services.

IX. The power to transfer officers of an all-India service from any one post to any other post borne on the cadre of such service, or from any one part of the province to any other part, is vested in the local Government, but may be delegated by the Local Government, subject to such conditions as it may prescribe, to any authority subordinate to it, or in the case of officers holding judicial posts, to a High Court or a Chief Court or the Court of a Judicial Commissioner.

Authority of Local Government over Officers of all-India Services.

X. A Local Government may for good and sufficient reasons—

(1) censure,

(2) reduce to a lower post,

(3) withhold promotion from, or

(4) suspend from his office

any officer of an all-India service:

Provided that no head of a department appointed with the approval of the Governor-General in Council shall be reduced to any lower post without the sanction of the Governor-General in Council.

Military Officers in Civil Employ.

XI. A military officer may not be reverted from his civil employment except under the orders of the Governor-General in Council.

Special Contracts.

XII. The sanction of the Secretary of State in Council is required to any terms in a special contract, by which any right, privilege or concession not admissible under these rules is secured to an officer.

Authority of Local Government over Officers of Provincial and Subordinate Services, and Officers holding Special Appointments.

XIII. Without prejudice to the provisions of any law for the time being in force, the Local Government may for good and sufficient reasons—

(1) censure,

(2) withhold promotion from,

(3) reduce to a lower post,

(4) suspend,

(5) remove, or

(6) dismiss

any officers holding a post in a provincial or subordinate service or a special appointment.

Procedure in cases of Dismissal, Removal or Reduction.

XIV. Without prejudice to the provisions of the Public Servants Inquiries Act, 1850, in all cases in which the dismissal, removal or reduction of any officer is ordered, the order shall, except when it is

based on facts or conclusions established at a judicial trial, or when the officer concerned has absconded with the accusation hanging over him, be preceded by a properly recorded departmental enquiry. At such an enquiry a definite charge in writing shall be framed in respect of each offence and explained to the accused, the evidence in support of it and any evidence which he may adduce in his defence shall be recorded in his presence and his defence shall be taken down in writing. Each of the charges framed shall be discussed and a finding shall be recorded on each charge.

Delegation.

XV. A Local Government may delegate to any subordinate authority, subject to such conditions, if any, as it may prescribe, any of the powers conferred by Rule XIII in regard to officers of the subordinate services:

Provided that every such officer on whon any punishment is inflicted shall be entitled to prefer at least one appeal against such order to such authority as the Local Government may prescribe.

Schedule of Provincial Services.

(Rule III.)

Madras

(1) Madras Civil Service.

(2) Madras Educational Service.

(3) Madras Civil Medical Service.

(4) Madras Police Service.

(5) Madras Agricultural Service.

(6) Madras Agricultural Engineering Service.

(7) Madras Engineering Service.

(8) Extra Assistant Conservators of Forests.

(9) District Registrars.

(10) Gazetted officers of the Jail Department not belonging to the Indian Medical Service.

(11) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

(12) Gazetted officers of the Survey and Land Records Department not belonging to the Indian Civil Service.

(13) Officers above the rank of Assistant Inspectors in the Salt and Excise Department not belonging to the Indian Civil Service.

(14) Deputy Superintendents in the Veterinary Department and the Assistant Principal of the Veterinary College.

(15) Chief Inspector and Inspectors of Factories.

(16) Assistant Registrars of Co-operative Societies.

(17) The Chief Boiler Inspector and Boiler Inspectors.

Bombay.

(1) Bombay Civil Service.

(2) Bombay Educational Service.

(3) Bombay Civil Medical Service.

(4) Bombay Police Service, and Superintendents of the Bombay City Police.

(5) Bombay Agricultural Service, that is, officers of and above the rank of Assistant Professors of the Agricultural College and Divisional Superintendents not being members of an all-India service.

(6) Bombay Engineering Service,

(7) Extra Assistant Conservators of Forests.

(8) Sub-Registrars of the Bombay City.

(9) Non-medical Superintendents of Jails.

(10) Deputy Commissioners not belonging to the Indian Civil Service, Assistant Collectors and Officers of the rank of Senior grade Inspectors recruited by direct appointment of the Bombay Salt and Excise Department.

(11) Officers of and above the rank of Assistant Professors of the Bombay Civil Veterinary College and Deputy Veterinary Superintendents not being members of an all-India Service.

(12) Inspectors of Factories, steam boilers and smoke nuisances.

(13) Officers of and above the rank of Assistant Registrars and Special Auditors of Co-operative Societies.

(14) Deputy Sanitary Commissioners, Port Health Officers and Bacteriological Officers (including officers in charge of sanitary laboratories) not belonging to the Indian Medical Service.

(15) Shipping and Deputy Shipping Masters.

(16) Deputy Political Agents.

(17) Commissioners and Collectors of Income Tax.

(18) Bombay Customs Service.

Bengal.

(1) Bengal Civil Service.

(2) Bengal Educational Service.

(3) Bengal Civil Medical Service.

(4) Bengal Police Service.

(5) Bengal Agricultural Service.

(6) Bengal Engineering Service.

(7) Bengal Forest Service.

(8) District Registrars.

(9) Bengal Excise Service, that is Inspectors, Prosecutors, Superintendents and Deputy Commissioners.

(10) Bengal Veterinary Service.

(11) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

(12) Bengal Pilot Service.

(13) Bengal Gardeners' Service.

United Provinces.

(1) United Provinces Civil Service.

(2) United Provinces Educational Service.

(3) United Provinces Civil Medical Service.

(4) United Provinces Police Service.

(5) United Provinces Engineering Service.

(6) United Provinces Agricultural Service.

(7) Extra Deputy Conservators and Extra Assistant Conservators of Forests.

(8) Inspectors of Registration Offices.

(9) Assistant Excise Commissioners.

(10) Deputy Superintendents of the United Provinces Civil Veterinary Department.

(11) Deputy and Assistant Registrars of Co-operative Societies.

(12) Sub-Deputy and Assistant Opium Agents.

(13) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Punjab.

(1) Punjab Civil Service.

(2) Punjab Educational Service.

(3) Punjab Civil Medical Service.

(4) Punjab Police Service.

(5) Punjab Agricultural Service.

(6) Punjab Service of Engineers.

(7) Punjab Forest Service.

(8) Punjab Veterinary Service.

(9) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Bihar and Orissa.

(1) Bihar and Orissa Civil Service.

(2) Bihar and Orissa Educational Service.

(3) Bihar and Orissa Civil Medical Service.

(4) Bihar and Orissa Police Service.

(5) Assistant Directors of Agriculture.

(6) Bihar and Orissa Engineering Service.

(7) Bihar and Orissa Forest Service.

(8) Deputy Superintendents of Jails.

(9) Superintendents of Excise and Salt.

(10) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Central Provinces.

(1) Central Provinces Civil Service.

(2) Central Provinces Educational Service.

(3) Central Provinces Civil Medical Service.

(4) Central Provinces Police Service.

(5) Central Provinces Agricultural Service.

(6) Central Provinces Engineering Service.

(7) Central Provinces Forest Service.

(8) Deputy Directors of Land Records.

(9) The upper cadre of District Excise Officers.

(10) Deputy Superintendents of the Central Provinces Civil Veterinary Department.

(11) Collectors of Income-tax.

(12) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Assam.

(1) Assam Civil Service.

(2) Assam Educational Service.

(3) Assam Civil Medical Service.

(4) Assam Police Service.

(5) Assam Agricultural Service.

(6) Assam Service of Engineers.

(7) Extra Deputy Conservators and Extra Assistant Conservators of Forests.

(8) Excise Superintendents.

(9) Deputy Superintendents, Assam Veterinary Department.

(10) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Extract from Rules relating to Expenditure by the Government of India on subjects other than Provincial. (Government of India, Finance Department, Resolution No. 1448 E. A., dated 29th September 1922.)

The previous sanction of the Secretary of State in Council is necessary :—

(1) To the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay drawn by the incumbent of any permanent post, if the post in either case is one which would ordinarily be held by a member of one of the services named in the Schedule, or to the increase or reduction of the cadre of any of those services.

* * * * * *

The Schedule.

(1) Indian Civil Service.

(2) Indian Police Service.

(3) Indian Forest Service.

(4) Indian Educational Service.

(5) Indian Agricultural Service.

(6) Indian Service of Engineers.

(7) The Imperial Branch of the Civil Veterinary Department.

(8) Indian Medical Service.

(9) Imperial Customs Service.

(10) Indian Audit and Accounts Service.

(11) Superintendents and Class I of the Survey of India Department.

(12) The Superior Staff of the Geological Survey of India Department.

(13) The Superior Telegraph Branch of the Post and Telegraph Department.

(14) The State Railway Engineering Service.

(15) The Superior Staff of the Mint and Assay Departments.

(16) The Archæological Department.

(17) Any other service declared by the Secretary of State in Council to be included in this Schedule.

Extract from Rules relating to Expenditure by a Governor in Council on reserved provincial Subjects. (Government of India, Finance Department, Resolution no. 1449 E.A., dated 29th September 1922.)

1. The previous sanction of the Secretary of State in Council is necessary:—

(1) To the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay drawn by the incumbent of any permanent post, if the post in either case is one which would ordinarily be held by a member of an all-India service, or to the increase or reduction of the cadre of an all-India service.

* * * * *

Extract from Schedule III of the Devolution Rules relating to expenditure by a local Government on transferred subjects.

1. The previous sanction of the Secretary of State in Council is necessary:

(1) to the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay attached to any permanent post, if the post in either case is one which would ordinarily be held by a member of an all-India service, or to the increase or reduction of the cadre of an all-India service.

Extract from Instrument of Instructions to Governors.

VII. But in addition to the general responsibilities with which you are, whether by statute or under the Instrument, charged, We do further hereby specially require and charge you:—

* * * * *

(4) to safeguard all members of Our services enployed in the said presidency in the legitimate exercise of their functions, and in the enjoyment of all recognised rights and privileges and to see that your Government order all things justly and reasonably in their regard, and, that due obedience is paid to all just and reasonable orders and diligence shown in their execution.

II.—Questionnaire on Service Conditions in the all-India Services.

1. Taking into consideration the provisions of the Government of India Act, do you consider that the position of members of the Services is adequately safeguarded as regards (*i*) pay (*ii*) allowances (*iii*) prospects (*iv*) pensions. If not, and bearing in mind the existing constitutional position in India, have you any proposals to make?

2. Have you any observations to offer on the scheme for retirement on proportionate pension announced in the Government of

India, Home Department, Resolution dated November 8th, 1921, no. F.-149-I. (Establishments) as subsequently amended?

3. What are your views with regard to the present rates of pay? Give any figures available to you *e. g.*, family budgets, distinguishing between expenditure in India and expenditure involving remittance to the United Kingdom. If a new scale of remuneration were fixed now, how would you provide for its adjustment to meet future variations in prices and exchange?

4. What are your views with regard to the question of passage allowances for officers in the Services and their families? If such allowances were granted, would you prefer that they should take the form of an increase of overseas pay to all officers or the grant of a certain number of passages during an officer's service to himself, his wife and family?

5. Have you any criticisms to make regarding the allowances payable to the Services?

6. Have you any observations to offer regarding the withdrawal of exchange compensation allowance?

7. Do you consider that any grievance exists in respect of house-accommodation, the rent chargeable for official residences, or the house-rent allowances granted when no official residence is available?

8. Have you any criticism to make regarding the leave rules?

9. Do you consider that the pension rules are satisfactory? If not, give reasons in detail for any proposals you may have to make. Do you consider that subscription to Provident Funds by Government in lieu of pensions should be adopted for (1) officers now in the Services and (2) future recruits? Have you any observations to make on the rules governing commutation of pensions, and in particular the existing one-third restriction on the proportion of pension which may be commuted?

10. What is your opinion of the comparative merits of family pensions and provident funds as provision for the families of deceased officers? Have you any observations to offer regarding the existing I.C.S. family Pension Fund?

11. Do you consider that suitable provision is made for medical attendance for officers and their families? If not, have you any proposal to make?

No. T-1526 of 4th December 1923.

From Chamber to the Secretary, Royal Commission on Public Services.

I beg to send to you herewith 20 copies of the Memorandum of Evidence of the Indian Merchants' Chamber for the consideration of the Royal Commission on Public Services. The Hon. Mr. Phiroze. C. Sethna and Mr. Jehangir. B. Petit will represent this Chamber for the purpose of giving oral evidence before the Royal Commission.

Memorandum of Written Evidence dated 3rd December 1923 submitted by the Chamber to the Royal Commission on Public Services in India.

The Committee of the Indian Merchants' Chamber are of opinion that a costly Royal Commission was absolutely unnecessary to further consider the position of the Superior Civil Services in India within only ten years of the last Royal Commission which sat in 1913 and after the substantial increases in their emoluments given as recently as about 1920. They consider its appointment by the Government and the provision of money for its expenditure out of the revenues of India by certification, in spite of the deliberate and emphatic vote of the Indian Legislative Assembly to the contrary, as a wanton insult to the whole country. It was clearly shown in the debate in

the Legislative Assembly that the appointment of such a Commission not only amounted to an attempt to go behind the Reforms Scheme of 1919 and to whittle down its implications regarding the Indianisation of the Services, but also indirectly aimed at continuing to vest the European members of the all-India Services with the extravagant privileges that they have hitherto enjoyed and the continuance of which was not contemplated by the Government of India Act of 1919. The Committee of this Chamber are therefore emphatically of opinion that such a Commission should not have been appointed. Now however that it has been appointed and the Committee have been invited to give their views on the questionnaire prepared by the Commission, they take the opportunity of stating them below without prejudice to their attitude referred to above, as to the futility of such a Commission.

Part—I.

Ques. 1. My Committee are definitely of opinion that the time has arrived when a re-adjustment in the position of the all-India Services must be made. Looking to the growth of constitutional reforms, however small, that has taken place throughout the country, the complete provincialisation of the Services, in the opinion of my Committee, is absolutely essential if the country is to leave off its old moorings and adopt the new path of constitutional progress and freedom, to which the Government have committed themselves. The all-India Services are an institution which we have received as an inheritance from old times when the Central Government kept all authority in its own hands and only doled out portions of it from time to time to the Provincial Governments. The Provinces, however, are now on the way to complete provincial autonomy and their relations to the Central Government, which are consequently in a state of flux, will have to be adjusted in the nature of Federal States. Then again their relations with the Secretary of State for India will have to be even more urgently reconsidered. The authority exercised at present by the Secretary of State is an anachronism which must be abandoned as soon as possible. The members of the Indian Civil Service are at present appointed by a direct covenant with the Sec-

retary of State for India; and it is also provided that the latter may reinstate any person in that Service who has been dismissed. Such wide and unlimited powers are sure to come into conflict, if they have not done so already, with the institutions established under the Government of India Act of 1919, aiming at the democratisation of the entire fabric of the Government. My Committee therefore suggest that the all-India Services should be done away with as soon as the exigencies of the present situation permit; and in their place purely Provincial Services be set up with the power of appointment and dismissal in the hands of the Provincial Governments; but with the safeguard that no person in such Services may be dismissed by any authority subordinate to that by which he was appointed. It may be mentioned that under our scheme, this arrangement is to apply to new recruits alone. With regard to the present members of the all-India Services, they should be considered as under the Government of India; but they should be amenable to the individual authority of the Executive Councillor or Minister as the case may be, and to the collective authority of the Government of the particular Province in which they may happen to be employed.

Ques. 2. My Committee regret very much that such a query should ever have been embodied in the questionnaire. In view of the fact that the Government of India have always had the loyal services of Indians in every department of the administration and Indians of absolutely outstanding merit and unquestioned talent are available, there certainly was no necessity for such a question. If Government believe that an adequate number of Indians is not available for the Services, it is because in the past they have neither wholeheartedly and earnestly looked out for them nor given them sufficient encouragement when they were found. My Committee regret to say that Government have invariably been dominated by the superstitious tradition that Indian talent is not available for the different Government Services. There is no excuse whatsoever for such an impression on the part of the Government. If there was a substratum of truth in such a belief, as fortunately there is not, it would be a very sad commentary upon a system of Government which

after a century and a half of its administration, could not produce even a few hundred men required for the higher services.

Ques. 3. The reply to this question has been included in the reply to Ques. No. 1.

Ques. 4. European recruits have already sufficient security and opportunity in the Indian Services and there is no necessity for offering them any further facilities. My Committee are not opposed to the drafting into the Public Services of any number of Europeans for specific periods on an adequate remuneration for technical and other special qualifications that they may possess and which may not be available in the country; but they are certainly opposed to the appointment of Europeans *qua* Europeans. Such Europeans may be appointed on short-term contracts on terms to be settled to mutual satisfaction.

Ques. 5. My Committee consider it highly objectionable that the Secretary of State in Council should continue to make any appointments, whether of Indians or Europeans for the Indian Services. As mentioned in their reply to Ques. No. 1, all such appointments under their scheme should be made in future by the Provincial Governments. The objection is not to the Secretary of State or any other authority making the selection on behalf of the Government of India or of the Provincial Governments, but to his keeping and retaining the control thereof.

The latter part of the question does not arise.

Ques. 6. The economic condition of this country and the state of its present finances do not warrant any addition to the cost of administration. My Committee must therefore object to any suggestions for increase in the existing rates of pay or allowances. They are further of opinion that the overseas allowance that is now being paid to all members recruited overseas, should be stopped in the case of all futher recruits, whether Indian or European.

Ques. 7. The Services in future under this scheme should be of two grades:—(A) and (B). The salary for grade (A), that is, the

Superior Services, should be the same as that now in vogue for the Indian Civil Service.

Part—II.

Ques. 1. The position of members of the Services as regards pay, allowances, prospects and pensions is already amply safeguarded; and my Committee think that the present terms with regard to these allowances and pensions should not be applied to future admissions but should be reduced.

Ques. 2. My Committee are most emphatically opposed to the principle of Proportionate Pension on retirement. If any member of the Service wanted to resign and leave the country in the past, he was at perfect liberty to do so; and there was absolutely no necessity for offering him all the extravagant terms and concessions that were and are still being offered by the Resolution of the Government of India, Home Department, dated 8th November 1921, No. F—149/1.

My Committee are unable to concede that there ever was any justification for such an extravagant concession, unheard of in any other part of the civilised world under similar circumstances. Even however if it is assumed for argument's sake that the reason for the promulgation of this extraordinary measure is sound and correct, my Committee think that it can never be suggested that the Reforms of 1919 are so extreme in character as to make it impossible for Europeans to continue in their particular Services. Such an assumption would be a gross over-estimate of the actual political advance made, as the Reforms have made no appreciable difference in the day-to-day administration of the country. It is possible that the members of the Services who have taken advantage of the scheme of Proportionate Pension are perhaps those who are specially alert and energetic and as such are likely to secure appointments elsewhere in other fields. This however, in the opinion of my Committee, is an additional reason why no extension of period within which such option could be exercised, should have been given, as was recently done by the Government in their resolution quoted above.

Ques. 3. The existing rates of pay are adequate and should not be increased beyond the present limits as mentioned in our reply to Ques. No. 6 of Part I.

Ques. 4 & 5. My Committee do not recommend any change in the present conditions. All the concessions, etc., given at present are sufficient.

Ques. 6. My Committee have no observations to offer regarding the withdrawal of Exchange compensation allowance which has their approval.

Ques. 7. There cannot surely be any grievances with regard to housing accommodation as the arrangements which prevail at present are liberal.

Ques. 8 & 9. As far as my Committee are aware, both the pension and leave rules are satisfactory and there is no cause for grievance with regard to either of them.

Ques. 10. .....

Ques. 11. Suitable provision is already being made for medical attendance for officers and their families. My Committee cannot understand why special facilities should be required by officers of the all-India Services in the way of medical provision. Whatever medical provision exists in a particular place where the officer may happen to be located for the time being, ought to be sufficient for him, if it is deemed good enough for hundreds of thousands of the population of that place, including amongst them even the richer and better classes of Indians.

(G) TRADE & INDUSTRIAL LEGISLATION.

APPENDIX 51.

THE INDIAN BOILERS BILL.

No. 931-D. of 7th October 1922.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution, No. 931, dated the 2nd October 1922 and accompaniment,* regarding a draft Bill to consolidate and amend the law relating to steam-boilers and to request that you will be so good as to favour Government with the views and criticisms, if any, of your Chamber, not later than the 10th November 1922, on the provisions of the Bill.

Government of Bombay, General Department, Resolution No. 931, dated the 2nd October 1922.

Letter from the Government of India, Department of Industries No. A-61, dated the 22nd September 1922:—

> "I am directed to enclose herewith for the information of the Government of Bombay two copies of a Bill consolidating and amending the law relating to steam boilers in India, with a statement of Objects and Reasons. The Bill was introduced in the Legislative Assembly on the 6th September 1922, and has been referred to a Joint Committee of the two Houses of the Indian Legislature."

* Not printed here.

"2. I am to state that it will be convenient if the views and criticisms, if any, of the Government of Bombay on the Bill can be communicated to the Government of India by the beginning of December in order that full consideration may be given to them by the Government of India prior to their being placed before the Joint Select Committee which it is understood will meet in January next."

Resolution.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Hon'ble the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Director of Industries, the Remembrancer of Legal Affairs, the Sanitary Engineer to Government, the Public Works Department, the Millowners' Associations, Bombay and Ahmedabad, the Indian Merchants' Chamber and Bureau, Bombay, the Chambers of Commerce, Bombay and Karachi, the Agent, B. B. & C. I. Railway, the Agent, G. I. P. Railway, the Bombay Society of Engineers and the Engineering Employers' Federation, Bombay, and they should be requested to favour Government with their views on the provisions of the Bill not later than the 10th November 1922.

2. The Bill with the Statement of Objects and Reasons has been republished in the supplement to the "Bombay Government Gazette" of the 14th September 1922. The Oriental Translator to Government should be requested to have them translated into Marathi, Gujarati, and Kanarese and forward the translations to the Manager, Government Central Press, for publication in the Gazette. The Commissioner in Sind should be requested to print the Bill and the Statement of Objects and Reasons in the "Sind Official Gazette."

No. T.-144/52 of 16th January 1923.

From Chamber to the Government of Bombay, General Department.

I am directed by the Committee of this Chamber to send their

views hereby with regard to the draft bill to consolidate and amend the law relating to Steam Boilers sent with your letter of the 7th October 1922, No. 931-D. The only important respect in which the Bill diverges from certain of the existing acts, and from the Bombay Act in particular, is in regard to the employment of certificated boiler attendants. My Committee cannot approve of this innovation proposed to be introduced by the Bill as they are of opinion that the provisions of the existing law requiring the employment by owners of boilers of certificated attendants should be maintained. It is true that it is only in a few provinces that boiler attendants are required to possess certificates of competency and that the Indian Industrial Commission recommended that this requirement was necessary. My Committee think that certificates are necessary in the case of persons placed in charge of these highly technical vessels under pressure, and hope that necessary changes will be made in the Bill.

APPENDIX 52.

WORKMEN'S COMPENSATION BILL.

No. L. 859 of 23rd September 1922.

From the Government of India, Department of Industries to Chamber.

I am directed to enclose a copy of the workmen's compensation bill* which was introduced in the Legislative Assembly on 13th September, and which has now been referred to a Joint Committee of both houses of the Indian Legislature. A detailed explanation of the bill is given in the Statement of Objects and Reasons appended to it.

I am to request that, if your Association desires to offer any comments or criticisms, these may be forwarded to the Government of

* Not printed here.

India by the beginning of December, in order that they may be placed before the Joint Committee, which will probably meet shortly after that date. A copy of your letter may at the same time be forwarded to the Government of your province.

No. T-10-53 of 16th January 1923.

From Chamber to the Government of India, Department of Industries.

I am directed by the Committee of this Chamber to express their views hereby regarding the Workmen's Compensation Bill a copy of which was enclosed with your letter of the 23rd September 1922 No. L-859. My Committee expressed themselves generally in favour of the principle of legal recognition of employers' liability to workmen and of the views expressed in the Government of India's letter No. L-859 of 29th July 1921 when the reference was first made to them. They will, therefore, proceed to consider the clauses of the Bill;.

Clause 2 Sub-clause (1):

"Un-married and or widowed sister" should be included amongst the list of dependents, as such relations are as often and as equally dependent on a workman as those provided for in the Bill.

Clause 6 Sub-clause (1):

No employer should be liable to pay any compensation whatsoever in respect of accidents to a workman who was under the influence of drink or drugs at the time of the accident and consequently proviso (b) (1) of clause 6 Sub-clause (1) should be deleted and a proviso giving effect to this be inserted in sub-clause (3) of this section.

Clause 7 Sub-clause (1) A (i):

In paragraph 14 of their original letter the Government of India observed that the object of an Act of the type contemplated was not so much the provision of facilities for the recovery of damages due

for a civil injury as the mitigation of the hardship resulting from disablement in industries, and that compensation should therefore be regulated by the above principle. It was further observed that "in determining the compensation that should be paid for fatal accidents the chief factor was the number and relationship of the dependents of the deceased person." This principle is not followed in drafting this clause and my Committee urge that the clause should be reconsidered.

Sub clause (1) A (11): —

The compensation payable in respect of the death of a minor should be Rs. 150/- instead of Rs. 50/- as proposed in the Bill,

Clause 11 —

Appeals should be allowed both as regards questions of fact or law.

Clause 14 :— Looking to the ignorance of Indian workmen and their superstitious nature and prejudice against western medical methods it needs to be provided that the court shall not insist on the workman being treated according to the western medical methods and shall make allowance for the Indian workmen's prejudice.

APPENDIX 53.

AMENDMENT OF THE INDIAN FACTORIES ACT.

No. 741-5086-D. of 21st June 1923.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 741, dated the 15th June 1923, regarding the necessity of further amending the Indian Factories Act, 1911, and to request that you will be so good as to favour

Government with the views of your Chamber not later than the 25th July 1923 on the question raised by the Government of India in their letter cited in the Government Resolution.

Government of Bombay, General Department, Resolution No. 741, dated 15th June 1923.

Letter * from the Government of India, Department of Industries and Labour, No. L.-1068, dated the 6th June 1923.

Resolution.—Copies of the letter from the Government of India should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Director of Industries, the Director, Bombay Labour Office, the Remembrancer of Legal Affairs, the Millowners' Associations, Bombay and Ahmedabad, the Indian Marchants' Chamber, Bombay, the Bombay European Textile Association, the Chambers of Commerce, Bombay and Karachi, the Social Service League and the Kamgar Hitwardhak Sabha and they should be requested to favour Government with their remarks on any administrative difficulties that may have been experienced in the operation of the Indian Factories Act and specific suggestions to meet such difficulties. They should be requested to send their replies not later than the 25th of July next.

No. L.-1068. of 6th June 1923.

From Government of India, Department of Industries and Labour to All Local Governments and Administrations.

Subject.—Amendment of the Indian Factories Act.

I am directed to address you on the subject of the administration of the Indian Factories Act, 1911. While the Government of India

* Appended.

believe that the introduction of the reforms embodied in Act II of 1922 has been effected on the whole without embarrassment, they are aware that in some provinces administrative difficulties have been experienced in connection with certain minor details. Some verbal corrections, such as that relating to the definition of "week", in respect of which it was clear that the law did not correctly express the intention of the Legislature, have already been effected by the passing of Act IX of 1923. It is now for consideration whether any amendments of substance are required in the law.

2. Act II of 1922 will have been in operation for a complete year on the 1st of July next, and the Government of India would be obliged if they could be furnished, as soon as possible after that date with brief notes upon any administrative difficulties that may have been experienced, together with specific suggestions for amendment of the Act, if in the opinion of the Local Government such difficulties cannot otherwise be met. Should the difficulties brought to light be numerous and important, the Government of India are provisionally of opinion that it might be advisable, in the interests of expedition, to hold a conference of Factory Inspectors towards the end of the year with a view to decide the form which any amendments considered necessary should take. This, however, is a matter which can be left over for subsequent settlement.

3. I am, in this connection, to invite the particular attention of the Local Government to the question of rest intervals. The normal arrangement contemplated by the existing provision is that the operatives should have at least one interval of an hour during the day's work. It is possible under the provisions of section 21 (*i*) (*a*) (*ii*), if the employees concerned so desire, to substitute for this hour two periods of half an hour each. The Government of India believe that the intention of the Select Committee on Act II of 1922, who were responsible for this provision, was that, where the employees consented to the arrangement, the two half-hour intervals could be distributed throughout the day in any manner that was found to be convenient, provided that no employee was required to work for more than five hours at a stretch. But the Government of India under-

stand that a strict interpretation of the wording of the Act does not permit of this latitude, and that it is necessary, in order to comply with the provisions of the section, that the employees should have enjoyed intervals amounting to at least an hour in the aggregate before the seventh hour of work has commenced, *e. g.*, a system by which the employees worked for periods of three hours, four hours and three hours separated by two half-hour intervals would not comply with the requirements of the Act. It would therefore appear desirable that the Act should be amended in such a manner as to restore what the Government of India believe to have been the intention of the Legislature.

4. A more important question which arises in this connection concerns the actual length of the interval or intervals prescribed. The Government of India understand that the enforcement of the longer interval introduced by Act II of 1922 has been attended with difficulty in certain industries, and it is stated that in some factories the employees themselves have been opposed to its introduction. Where the workers live at some distance from their work and do not desire or are unable to obtain a meal in the middle of the day, the effect of the longer interval has been to reduce the hours of leisure which they can spend at their homes. On the other hand, it appears that in the great majority of factories the new provisions have been introduced without difficulty and have been welcomed by the workers. I am to say that the Government of India are reluctant to interfere with the law as it stands at present. They doubt whether it is possible for a worker to maintain sustained work for 10 hours daily without intervals of rest amounting to at least an hour. They believe that the longer interval is desirable in order to enable the worker to maintain his vigour, and that its enforcement should ultimately prove beneficial to the employer. There are grounds for believing that the absence of sustained work, characteristic of many factory employees in this country, has been due, in part at least, to the fact that the hours fixed did not in the past allow sufficient opportunity for the rest necessary to prevent fatigue. Moreover, the amendment of section 21 of the Act was passed into law without opposition from any section of the general community or in either Chamber of the

Legislature, and the Government of India consider that very strong reasons should be adduced before the Legislature is asked to modify provisions which it has so recently affirmed.

5. In consenting to reopen the question, however, the Government of India have been largely influenced by an additional consideration. They observe that, where objections have been raised to the introduction of the new provision, they have generally come from factories or industries in which the working day is comparatively short. It must be admitted that, where the daily hours of work do not exceed 8 or 8½, the need for so long an interval as an hour is not so great as in factories which work 10 hours a day. Further, the Government of India are anxious to encourage those employers who are considering the reduction of hours of work, and it is possible that if a concession in the matter of the interval of rest would lead to a further reduction of the hours of work, such a concession might be in the interest of all concerned. It has been suggested to the Government of India that a possible amendment would be to provide that, where men are worked not more than 8½ hours a day instead of 10 hours, which is the normal average length permitted by the Act, the interval of rest may be reduced to half an hour either by a specific provision to that effect in the Act itself or by the grant of permissive power to the Local Government to effect the reduction. An additional provision might also, if considered necessary, be imposed to the effect that such a reduction should only be permitted by the Local Government at the request of the majority of the workers concerned.

6. Any such reduction should, in any case in the opinion of the Government of India, apply only to adult male workers. The Indian Factories Act 1891, provided that women working for 11 hours a day should have an interval or intervals aggregating at least 1½ hours, and that where the day was reduced, the intervals might be reduced proportionately. The Act of 1911 took a somewhat retrograde step in reducing the interval for women to half an hour, and the Act of 1922, while giving more protection, does not go so far as the Act of 1891. The Government of India are not prepared at the present time to reopen the question of the rest interval for women. They

feel that, while in the case of men it might be argued that certain industries are not yet prepared for the enforcement of an hour's interval, such a consideration is not relevant to the application to female labour of a provision which is less stringent than the provision that was in force between 1892 and 1912.

7. Section 34A of the Act was designed to encourage Courts to utlize fine to provide compensation for injuries by accident to factory workers. The Workmen's Compensation Act, 1923, which has now been passed makes special provision for compensation to factory workers employed in factories which come under the definition in section 3 (*a*) of the Act. So far, therefore, as workers in these factories are concerned, it would appear to be undesirable that Court should use the powers conferred by section 13A after the Workmen's Compensation Act has come into effect. The Government of India would be glad to know whether in the opinion of the Local Governments the section should be amended and retained for the benefit of workers employed in factories notified under section 3 (*b*) of the Act, or whether, in view of the provisions of section 545 of the Criminal Procedure Code, it should be repealed.

8. I am to request that a reply may be sent to this letter not later than the 1st of October 1923.

No. T 806 of 27th July 1923.

From Chamber to the Government of Bombay, General Department

I am directed by the Committee of this Chamber to send their views hereby in reply to your letter No. 741-5C86-D, dated the 21st June 1923.

My Committee believe that the difficulty with regard to the rest intervals during the day can be solved by enacting that:—

(*a*) at the request of the employees concerned there shall be two periods of rest of not less than half an hour each

distributed throughout the day in such a manner that no person shall work for more than 4 hours continuously;

(*b*) With regard to the difficulty mentioned by the Government of India in paragraph 5 of their letter it is not clear why employers whose hours of work do not exceed 8 or 8½ should be so anxious to reduce the interval of rest. The factory will run on anyhow for 8 and 8½ hours and half an hour's difference in the interval of rest will not affect the factory adversely.

Anyhow, if the above amendment suggested by my Committee is put into effect a factory working for 8 hours will be able to reduce its interval of rest to half an hour if it divides its period of working into two shifts of four hours each.

APPENDIX 54.

BILL TO AMEND THE INDIAN STAMP ACT.

No. 7606-E. of 4th April 1923.

From the Government of Bombay, Revenue Department to Chamber.

I am directed by the Governor in Council to forward a copy of a Bill* further to amend the Indian Stamp Act with the statement of Objects and Reasons and to request that you will favour Government with the opinion of the Chamber on the provisions of the Bill.

2. I am to request that the reply to this letter may be sent by the 10th May 1923 at the latest.

* Not printed here.

No. T. 396 of 24th April 1923.

From Chamber to the Government of Bombay, Revenue Department.

With reference to your letter No. 7606 E dated 4th instant my Committee will feel obliged by your supplying them the following information:—

The total amount of stamp duty collected on cheques during the years 1915; 1918; and 1921.

No. T 400 of 25th April 1923.

From Chamber to the Government of Bombay, Revenue Department.

I am directed in reply to your letter of the 4th instant No. 7606-E to send views hereby of my Committee.

My Committee regret that notwithstanding their strong and emphatic protest against enhancement in stamp duty on promissory notes it has been proposed in the Bill to enhance it to two annas on promissory notes when the amount is less than Rs. 250 and in any other case four annas. They beg to draw in this connection attention of the Government to their remarks made in their letter of the 13th June 1922 No. T. 539.

> "My Committee believe it to be essential in the interest of poorer people to keep the present rate of duty upto Rs. 2,000 but a graduated scale somewhat on the following lines may be adopted for sums higher than this:—
>
> | | | | | | |
> |---|---|---|---|---|---|
> | From Rs. | 2,001 to Rs. | 5,000 | — | Rs. 0 | 2 0 |
> | From Rs. | 5,001 to Rs. | 25,000 | — | Rs. 1 | 0 0 |
> | From Rs. | 25,001 to Rs. | 50,000 | — | Rs. 2 | 0 0 |
> | From Rs. | 50,001 to Rs. | 100,000 | ... | Rs. 5 | 0 0 |

My Committee trust that in the interest of the poor classes this suggestion will be substituted for the proposal suggested in the Bill under consideration. My Committee have no remarks to offer with regard to other items.

With regard to cheques my Committee will be much obliged if you will be kind enough to send them information as early as possible regarding the total amounts of stamp duty collected on cheques in the years 1915, 1918 and 1921.

No. 7606 E. of 17th May 1923.

From the Government of Bombay, Revenue Department to Chamber.

With reference to your letter No. T. 396 dated 24th Apail 1923 I am directed by the Governor in Council to state that the total amounts of stamp duty collected on account of one anna impressions on cheque forms during the official years 1914-15, 1917-18 and 1920-21 were as follows :—

Year.	Amount.
	Rs.
1914-15	73,252
1917-18	1,40,655
1920-21	2,43,712

I am to request that the views of your Chamber on the subject noted above may be communicated to Government with the least possible delay.

No. 7606 E of 30th May 1923.

From the Government of Bombay, Revenue Department to Chamber.

In continuation of Government letter No. 7606 E dated 17th

May 1923, I am directed to state that the figures of stamp duty collected on account of one anna impressions on cheques in Sind were as follows:—

Year.	Rs.
1915-16	10,329
1918-19	23,561
1921-22	29,087

These figures were not included in the figures communicated with the Government letter of 17th May 1923 referred to above, which related to the Presidency proper only. I am to request that views of your Chamber on the subject noted above may now be communicated to Government without further delay.

No. T. 557 of 1st June 1923.

From Chamber to the Government of Bombay, Revenue Department.

In continuation of my letter of the 25th April 1923, No. T. 400, and in reply to your letters of the 17th and 30th May 1923, No. 7606 E, I am directed to inform you that my Committee have no suggestions to offer with regard to Stamp Duty on cheques.

APPENDIX 55.

REVISION OF RULES TO PROVIDE FOR NEW MODES OF PACKING YARNS.

R. S. R. No. 776 of 10th April 1923.

From Collector of Customs, Bombay, to Chamber.

I have the honour to state that for some time past importations have been made of single or twofold yarn reeled in double hanks,

Under the rules now in force under the Merchandise Marks Act, (vide Rule III on page 12 and Rule 41 on page 34 of the Merchandise Marks Manual, Edition 1921,) only standard hanks of 840 yards are permitted and no provision has been made for double hanks of 1680 yards which consequently do not conform to the ratios specified in these rules. These rules were framed many years ago to give legal effect and recognition to the accepted trade customs then in vogue but as packing of yarn in double hanks has now found favour with spinners as well as consumers and also as importations of cross-reeled have in practice been permitted since 1910, it has become necessary to revise the rules so as provide for the new modes of packing. Revised rules were accordingly submitted for consideration and approval to the Government of India who have obtained the views of the shippers of yarn in the United Kingdom. The rules have now been further revised in the light of the suggestions made by the Manchester Chamber of Commerce, The Fine Cotton Spinners' and Doublers' Associations, Limited and Federation of Master Cotton Spinners' Associations, Limited, Manchester. I enclose copies of their letters and of the proposed amendments which are shown in red ink* and shall be glad if you will be so good as to obtain and forward to me the opinion of your Chamber on the proposed amendments for the information and consideration of Government of India.

It will be seen that provision has been made in the draft revised rules for all the suggestions by Manchester Chamber except the proposal that the marking of the count on each bundle of yarn should be made legally compulsory. Legislation will apparently be necessary to give effect to this suggestion, which will result in placing yarn on the same basis in respect of the marking of the count as piecegoods are in respect of the stamping of length. The latter requirement has been made compulsory by a specific section of the Sea Customs Act *viz.* Section 18 and similar legislative provision will have to be made if the marking of the count is to be made compulsory. I shall be glad to know whether in the opinion

* Underlined in this Report.

of your Chamber, such legislation is imperatively necessary in the interests of the trade in yarns.

Dated 5th September 1922.

From the Fine Cotton Spinners' and Doublers' Association Ltd., Manchester to the Board of Trade, Commercial Relations and Treaties Department, London.

With further reference to your letter of the 30th ultimo, regaring certain proposed amendements of the Indian Merchandise Marks Manual.

We understand that the Manchester Chamber of Commerce have this matter under consideration, and will be communicating with you thereon very soon. They will no doubt have some suggestions to make, and you can take it that we will fall into line with whatever they put forward.

We thank you for having brought the matter to our notice.

Dated 6th September 1922.

From Chamber of Commerce, Manchester to Board of Trade, Commercial Relations and Treaties Department, London.

I am desired to revert to your letter of 7th July in which you ask for this Chamber's observations with regard to certain proposed amendments to the Indian Merchandise Marks Manual. I am to say that the Committees concerned, *viz.* The Trade and Merchandise Marks (Statutory) Committee and the Yarn Section have given his matter careful consideration, and the following are the decisions which have been reached :

Rule 3 and Paragraph 41.

The following resolution was unaminously adopted with regard to the suggested alteration under these headings :

" We agree to the additions to the Indian Merchandise Marks Act as proposed in a letter from the Board of Trade dated 7th July, so long as the standard 840 yards hank is observed, and every bundle is marked or ticketed to indicate the correct count."

With regard to marking " Double Hank" on the bandle in order to avoid any possible deception, I am to say that my Committees consider that the words " Double Hank " should be substituted by a double cross (XX). This method of signifying a "Double Hank " by " XX " is a well known custom of the trade, and is recognised by all consumers. It is trusted therefore, that this method of marking will be permitted.

Rule 3 F.

With regard to bleached yarn, I am to say that the Chamber is unable at the moment to submit any observations with regard to the suggested amendments. A sub-Committee has been formed to go carefully into this question, and we will endeavour to let you have its observations with as little delay as possible."

Dated 1st December 1922.

From Chamber of Commerce, Manchester to Board of Trade, Commercial Relations and Treaties Department, London.

Indian Merchandise Marks Manual.

I am desired to revert to your letter of 7th July, (Reference 2593/22) and subsequent correspondence relative to the proposed amendments of the Indian Merchandise Marks Manual, and to inform you that a Special Committee of the Yarn Section of the Chamber has now given careful consideration to the suggested revision of

Rule 3 (*f*), concerning Bleached Yarns. Particular attention has been given to the scale of percentages which come into operation when the described or invoice weight of bleached yarn exceeds the actual weight, and I am to say that the Committee are strongly of opinion that the allowances in this respect should be revised.

It is desirable to bear in mind that yarns in this country are sold on the basis of the grey, (or unbleached) length and weight, and therefore, shrinkage in the length of bleached yarns should be permissible as long as the average hank is not less than 819 yards. This would bring bleached yarn under the same allowance provided for in connection with dyed yarn under Rule 4.

Furthermore, in considering the percentages in the scale already referred to, it is necessary to make allowances for the natural moisture in cotton, which is always reckoned at 8½%.

The following is the scale which the Committee suggest should be substituted for that already in the Manual :—

10% in counts up to 24.

8½% in counts from 25-40 American Cotton Yarn.

7½% in counts from 41-60 American Cotton Yarn.

7½% in counts from 41 and upwards, Egyptian.

For Double (2 fold) Yarns the above percentages be 1% less, as a general rule.

Whilst in actual practice there will be some variation in the above percentages, chiefly owing to the different qualities of the yarn, it is felt that if this scale is adopted it will prove of very great benefit to the traders concerned.

As an illustration of the difficulties which merchants experience in endeavouring to conform to the present scale, I am to say that recently a large shipment of yarn was rejected in India, owing to the weight averaging 9 lbs. 3 ozs. instead of 9 lbs. 8 ozs. permissible under

the Indian Merchandise Marks Act, although the yarn in the grey was correct weight and length, and the resulting reduction in weight was more or less equalised by a gain in counts. This consignment would have been accepted in this country, but was only taken up by the customer in India on payment of a considerable allowance by the Manchester supplier who had no means of redress.

It is to safeguard against such contingencies, which the present conditions of trade render it almost impossible to avoid that I am desired to submit to you a revised scale together with the recommendation that it should be included in any revisions which may be made in the near future in the Indian Merchandise Marks Manual.

Dated 25th November 1922.

From Federation of Master Cotton Spinners' Associations Limited, Manchester to Board of Trade, Commercial Relations and Treaties Department, London.

Your letter of the 7th July last with enclosure and subsequent correspondence was placed before my committee on the 22nd instant when the following resolution was adopted:—

> "We agree to the additions to the Indian Merchandise Marks Act as suggested in the letter from the Board of Trade dated 7th July 1922, so long as the standard 840 yards hank is observed, and every bundle is marked or ticketed to indicate the correct count. With regard to marking "double hank" on bundles my Committee consider that the words "double hank" should be substituted by a double cross (XX)".

Draft amendment of Rule III on page 12 of the Merchandise Marks Manual, 1921 Edition.

III. A trade description of count or number, length or weight, applied to grey, or bleached cotton yarn, shall not be deemed to be false in a material respect, unless:

(*a*) the described count or number is greater or less than the actual count or number by more than 5 per cent provided that the average count of the whole of the yarn in question is not greater or less than the described count; or

(*b*) (*i*) in a bundle of grey yarn, the average length of the whole number of single hanks is less than 840 yards and of double hanks is less than 1680 yards and

(*ii*) in a bundle of bleached yarn, the average length af single hanks is less than 819 yards and of double hanks is less than 1638 yards; or

(*c*) in a bundle of yarn of any count under 50, described as being ten pounds in weight, the number of knots of twenty hanks each is not half, or the number of knots of ten hanks of each is not the same as, and the number of knots of fine hanks is not doublee the described count or number of the yarn; or

(*d*) in a bundle of yarn of any count under 50, described as being five pounds in weight the number of knots of 20 hanks each is not a quarter of, or the number of knots of 10 hanks each is not half, or the number of knots of 5 hanks each is not the same as, the described count or number of the yarn; or

(*e*) in a bundle of yarn of any count from 50 upwards, the number of knots of 20 hanks each is not half, or the number of knots of 40 hanks each is not a quarter when the described weight is ten pounds, and is not a quarter or an eighth, when the described weight is five pounds, of the count or number of the yarn; or

(*f*) in the case of *bleached yarn*, the described weight exceeds the actual weight by more than

10 per cent. in counts up to 24;

8½ per cent. in counts from 25 to 40;

7½ per cent. in counts from 41 to 60 and upwards, the allowance being 1 per cent. less than that specified in each of the above cases if the bleached yarn in the bundle is two-fold.

Provided that for the purposes of applying clauses (*c*), (*d*) & (*e*) to importations of single yarn in double hanks and of two fold yarn in single and double hanks, one single hank of two-fold yarn and one double hank of single and of two-fold yarn shall be taken respectively as two, two and four hanks of single yarn, but the described count or number shall contain a definite indication that the yarn in the bundle is two-fold or in double hanks or both as the case may be.

Substitute the following in place of para 41 on page 434 of the Merchandise Marks Manual, 1921 Edition.

41. Yarn is ordinarily made up in 5 or 10-lb. bundle containing a certain number of knots, which in turn contain a certain number of hanks:

(Bundles of yarn of 5 or 10 lbs, weight are ordinarily made up in knots containing single or two fold yarn of hanks of 840 yards each and also single or two-fold yarn of double hanks of 1680 yard each;) and, as contemplated in paragraphs III to V of Notification No. 1474, as subsequently amended, reproduced in Part II, there is or should be a definite relation between the number of knots in a bundle and the count. Thus in a 10 lb. bundle in which there are 10 hanks (of single yarn) to the knot, the number of knots is, or should be, the same as the number of the count. Similarly, if such a bundle is made up with 20 hanks to the knot, the number of the

latter is, or should be, half the number of count, and so on. But such a make up does not itself amount to a trade description of the count: to constitute the latter, as mentioned in rule 2 above, there must be a description or statement applied to the yarn, or an indication, direct or indirect of the nature of a description or statement, including the use of any numeral, word or mark which according to the custom of the trade is commonly taken to be an indication of the count; and any such description must be so quilified as to indicate the mode of reeling of the yarn if it is two-fold yarn or in double banks or both Thus the mark "20s" applied to the wrapper of a bundle of yarn indicates that the count is 20. Similarly for a bundle of 40 count of two-fold yarn in single banks the correct marking should be "40s/2" or "2/40s"; or for a bundle of the same count of single or two-fold yarn in double banks, the marking should be "40s XX" or "40s/2 (or 2/40s) XX (XX being the trade signification of a double bank) according as the yarn is single- or two-fold; and, in the absence of the words 'metric count' or other definite indication that the yarn is measured on the metric system, such marking should be regarded as indicating further that it is measured by the British system.

No. T- 441 of 5th May 1923.

From Chamber to the Collector of Customs, Bombay.

With reference to your letter No. R. S. R, 776 of 10th April 1923, I am directed by my Committee to inform you that they have no objection to the proposa for the revision of Rules under the Merchandise Marks Act so as to provide for the new mode of packing of yarn in double hanks.

APPENDIX 56.

MEASURES FOR PREVENTION OF THE INTRODUCTION OF THE BOLL WEEVIL INTO INDIA.

No. 609-9 of 12th January 1923.

From the Secretary, Indian Central Cotton Committee to Chamber.

During the last year the Central Cotton Committee has had under consideration the question of the danger of the importation of the American Cotton Boll weevil into India in imported American cotton. It has been definitely ascertained that there is a risk of the importation of the living weevil into India in the wrappings of bales of American cotton, and this danger has probably been enhanced by the opening of the shorter route via Japan. The Imperial Entomologist has been consulted and the information which has been received from the United States Department of Agriculture clearly points to the conclusion that unless definite steps are taken to prevent the introduction of this insect it is only a matter of time before it reaches India.

It is unnecessary for me to point out the extreme destructiveness of this cotton pest as the extent of the loss which it causes in America is well known. The amount of American cotton in use in India is small, the imports in average years are nominal, and the largest importation on record in a single year is approximately 100,000 bales.

By fumigation with Hydrocyanic gas at port of entry it is possible to ensure that no living weevils are introduced. This method of fumigation has been studied in great detail recently at the Parel Government Laboratory, Bombay, (in connection with measures for the destruction of fleas, lice and bugs) and an apparatus is being designed which can be used on a large commercial scale. It is estimated

roughly that the cost of fumigation would not exceed 8 annas per bale which is trifling compared to the value of the cotton.

The technical side of the question will be thoroughly discussed at the next meeting of the Central Cotton Committee. At present (with the approval of the President, the Agricultural Adviser to the Government of India), I have to ask for the opinion of your Chamber as to whether there would be any serious objection to restricting imports of American cotton to a single port, viz, Bombay. I am informed by the Director General of Commercial Intelligence that in recent years there has only been one importation at ports other than Bombay, vis: 413 tons at Tuticorin in 1921-22. If importation could be restricted to a single port it would greatly simplify the provision of adequate fumigation facilities.

The favour of an early reply is requested.

No T-134 of 20th February 1923.

From Chamber to the Secretary, Indian Central Cotton Committee, Bombay.

With reference to your letter No. 689/4* of 1923, dated 31st January 1923, I am directed by my Committee to inform you that they agree that the measures suggested for the prevention of the introduction of the American Boll weevil into India should be adopted till a real case of hardship is made out by any of the consumers.

APPENDIX 57.

OPEN COTTON MARKETS.

No. 1149/10 of 11th April 1923.

From the Secretary, Indian Central Cotton Committee to Chamber.

One of the most important recommendations of the Indian

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* Reminder.

Cotton Committee was the provision of open cotton markets in cotton growing tracts. Such markets at present exist only in the Central Provinces and Berar, and the Berar markets in particular were commended by the Indian Cotton Committee. This question has been further examined in considerable detail both by the Board of Agriculture in India and the Central Cotton Committee, and further evidence has been received of the superiority of the Berar type of markets. Cotton markets in Berar are established under a special law, and their establishment in other provinces would require similar enabling legislation. The Central Cotton Committee are informed that the Bombay Government have under consideration a Bombay (District) Cotton Markets Bill to provide for the constitution of open cotton markets in the Bombay Presidency. A similar Bill for Madras has for some time been under consideration by the Madras Provincial Cotton Committee and their recommendations have been supported by the Central Cotton Committee.

The Central Cotton Committee have for some time been engaged on an examination of details and have been in correspondence with various Provincial Cotton Committees on this subject. They have also collected considerable additional information as to the system of selling cotton in force in different parts of India.

The outstanding advantages of the Berar markets appear to be:—

(1) that the cultivator is brought in direct touch with substantial buyers,

(2) that proper weighment is provided for, that unauthorised allowances such as prevail in many other markets have largely been stopped, and

(3) that prices are well-known to the sellers.

It has been definitely ascertained that some 50% of the cotton brought into Berar markets is brought in by growers themselves and not by petty dealers.

The Berar law and the rules governing Berar markets will be found in the appendix to the Indian Cotton Committee's report. Certain improvements could doubtless be made in drafting Acts and rules for various provinces to meet local conditions, particularly in providing a larger measure of elasticity in the constitution of Market Committees and by providing, wherever practicable, for direct representation of the growers on those Markets Committees. Generally speaking the Berar system appears to be suitable to have been a success and to have proved its value.

There are obvious advantages to be obtained by regulation of kapas markets by strong Market Committees. Not only can the above desiderata be provided for but organised markets under proper control would enable the grading of kapas to be developed. At present such grading is not usually done. Substantial buyers in the larger markets have to take kapas as it arrives and are often unable to secure uniform superior lots for which they would be willing to pay higher prices. The Central Cotton Committee is examining separately the question of cleaner picking of cotton, but it is not possible to entirely dissociate this problem from general market organisation as the information already collected by Agricultural Departments goes to show that it is largely a question of making it worth while to the cultivator to incur the additional expense and trouble which cleaner picking entails.

It is however, clear that the success of cotton markets must largely depend on their being opened in places where producers themselves would use them. While some information has been collected from Agricultural Departments, my Committee feel that different sections of the industry and in particular, individual cotton merchants, could probably give much valuable advice and information as to where it would be possible to open new cotton markets with a reasonable likelihood of success. I am, therefore, to invite the views of your Chamber on this point.

No. T. 491 of 19th May 1923.

From Chamber to the Secretary, Indian Central Cotton Committee

With reference to your letter No. 1149/10 dated the 11th April wherein you ask for the views of my Committee as to where it would be possible to open new cotton markets I am instructed by my Committee to say that in their opinion the Central Cotton Committee ought to consider the question of organising cotton market system at places where cotton is being marketed at present instead of thinking of opening new cotton markets just now. There are many centres still in India where large quantities of cotton are being marketed without a systematic and organised market, and there would appear to be immense scope for the activities of the Central Cotton Committee in the direction of utilising the present centres where cotton is being marketed for such organisation on the lines of the Berar market system. My Committee expect that the Central Cotton Committee are in possession of the names of such places where such organisation could be started immediately without waiting to collect information of *new* market centres.

If however you desire to have names of places where cotton is being marketed at present and where my Committee think it desirable that the market system should be organised, they think that it would be best if you send to me a list of places where the Directors of Agriculture and other Government officials may recommend you to organise the market system, and my Committee will then be able to suggest to you any changes, if the same should appear necessary.

APPENDIX 58.

INVITATION BY A FOREIGN FIRM TO SUBSCRIBE WITHOUT PROSPECTUS OR ARTICLES OF ASSOCIATION.

No. T. 458 of 8th May 1923.

From Chamber to the Registrar of Joint Stock Companies, Bombay.

The attention of my Committee has been drawn to the accompanying papers* which have been received by a member of this Chamber. My Committee fear this is a general invitation to people to subscribe without the prospectus and the articles of association or without the Company being registered. They hope you will be kind enough to go through these papers and see if they are in order or otherwise.

No. 304 of 11th May 1923.

From the Registrar of Joint Stock Companies to Chamber.

I have the honour to acknowledge the receipt of your letter No. T. 458 of the 8th instant, with enclosures.

2. The International Transportation & Development Company and the World Drug & Chemical Company are both incorporated in the State of Arizona in the U. S. A. and have filed with me the documents required by Section 277 of the Indian Companies Act.

3. In these circumstances I have no power to interfere with the form of prospectus.

* Not printed here.

No. T. 520 of 25th May 1923.

From Chamber to the Government of India, Department of Commerce.

I am directed to send herewith copies of correspondence which has passed between my Committee and the Registrar of Companies, Bombay, with regard to a prospectus issued by some American concern here. The Registrar of Companies says that he has no power to interfere with the form of prospectus as both the Companies are incorporated in the United States of America and have filed with him the documents required by Section 277 of the Indian Companies Act. This would mean, my Committee fear, that the people here are helpless against such prospectuses issued by foreign companies which have no other check placed on their activities. You will be pleased to inform my Committee if the attention of the Government of India has been drawn to such instances and if so, whether they contemplate taking any action in the matter in the way of amending the Indian Companies Act.

No. 3267 of 8th June 1923.

From the Government of India, Department of Commerce to Chamber.

I am directed to refer to your letter No. T. 520, dated the 25th May 1923.

2. The attention of the Government of India has not previously been drawn to the prospectuses mentioned, and as no copies of these have been furnished with your letter the Government of India are not aware in what particular an amendment of the Indian Companies Act is desired or needed. The Indian Companies Act is administered by Local Governments as Agents of the Government of India and therefore it would be convenient if the proposals of the Chamber in this matter were submitted through the Government of Bombay.

No. T. 696 of 6th July 1923.

From Chamber to the Government of Bombay, Legislative Department.

I am enclosing herewith copies of correspondence passed between my Committee and the Registrar of Companies, Bombay. I am also enclosing herewith a copy of the prospectus issued by the American Company in question. You will be pleased to inform my Committee if the attention of the Government of Bombay has been drawn to this and if so, whether they contemplate taking any action in the matter in the way of suggesting amendments to the Indian Companies' Act.

No. 7284 of 19th July 1923.

From the Government of Bombay, Revenue Department to Chamber.

Subject:—Collections of Subscription to Capital by two American Companies.

With reference to your letter No. T. 696 dated the 6th July 1923 on the subject noted above, I am directed by the Governor in Council to inform you that the attention of this Government has already been drawn to the affair. I am to add that the Registrar of Companies, Bombay, has been instructed to meet your Chamber for the purpose of discussing the measures to be adopted for counteracting the attempts of unsound foreign companies to collect capital in this country.

No. 1029 of 4th August 1923.

From Registrar of Joint-Stock Companies to Chamber.

With reference to the correspondence ending with your No. T. 716 of the 10th ultimo and your subsequent interview with me, I have the honour to enquire whether your Chamber are able to put

forward any suggestions for the prevention or curtailing of the collection of capital for bogus foreign companies.

2. If your Committee consider that any useful purpose would be served I should be ready to meet them to discuss the matter.

No. T. 880 of 14th August 1923.

From Chamber to the Registrar of Companies.

With reference to your letter of the 4th instant No. 1029 of 1923-24, my Committee have no suggestions to offer at present. They are going through the question however and will let you know when they formulate any definite proposals.

APPENDIX 59.

FORM G. OF THE INDIAN COMPANIES' ACT, 1913.

No. T.-921 of 20th August 1923.

From Chamber to the Government of India, Department of Commerce.

The attention of my Committee has been drawn to the great inconvenience experienced by banks registered under the Indian Companies' Act in publishing Form "G" under section 136 (1) of the Indian Companies' Act, 1913. In view of the fact that all such banks are required to publish a *pro forma* balance sheet in Form "F" which is completely exhaustive, my Committee believe that Form "G" in which comparatively unimportant and unnecessary information is required to be published should be done away with altogether. Again, section 136 (1) lays down that Form "G" should be published on the first Mondy in February and the first Mondy in August. This

provision causes unnecessary and avoidable inconvenience to those banks whose financial half-year does not end in December and June. My Committee, therefore, beg to suggest the following amendments in section 136 (1) of the Indian Companies' Act, 1913:

(1) The words "form marked G" be altered into "form marked F", and

(2) After the word "also" (in the fourth line) in section 136 (1) the words "on the first Monday in February and the first Monday in August in every year" be omitted and the following words be substituted viz., "within six weeks of the completion of every six months of the Company's financial year."

My Committee also take this opportunity of emphasising their contention, which they put forward in their letter No. T. 365, dated 15th January 1921 to the Government of Bombay, Revenue Department, that "it should be made obligatory on all Foreign Exchange Banks to publish an audited half-yearly balance sheet of the business they are doing in India." My Committee feel that an amendment of the Indian Companies' Act in this direction has been long delayed and is urgently called for. My Committee trust that the amendments suggested in this letter will meet with the approval of the Government of India and that they will be pleased to take early steps to amend the Indian Companies' Act, 1913, accordingly.

A copy of this letter has been forwarded for the information of the Government of Bombay.

No. 805.-A. of 16th October 1923.

From the Government of India, Finance Department to Chamber.

In continuation of the letter from the Commerce Department No. 4458.* dated the 28th August 1923, I am directed to state that

* Acknowledgement.

the views of your Chamber have been noted and will be taken into consideration if occasion arises to amend the Act.

No. T.–1144. dated 30th October 1923.

From Chamber to the Government of India, Finance Department.

I am directed to acknowledge your letter No. 805–A, dated the 16th instant and to say that my Committee are not satisfied with the reply contained therein. They feel that the amendments proposed by them in the Indian Companies Act, 1913, are urgently called for and they therefore beg to suggest that the Government of India will be pleased to bring in a special Bill for amending the Indian Companies Act, 1913, in the directions suggested by them in this office letter No. T.–921, dated 20th August 1923.

APPENDIX 60.

INSURANCE LEGISLATION IN INDIA.

No. T.–1371. of 12th December 1923.

From Chamber to the Government of India, Department of Commerce.

Mr. Corbett's D. O. letter No. 6531* dated 28th November 1923, and addressed to the undersigned was discussed by yourself during your visit to Bombay last week with the Honourable Mr. Sethna, Vice President of this Chamber. You were pleased to suggest that my Committee should convey to you as early as possible their views to be embodied in the proposed Insurance Legislation which they hope Government will introduce during the next sessions. My Committee understand from Mr. Sethna that you may not be willing to include all our recommendations. They will therefore thank you to embody

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* Not printed here.

in the proposed Bill as many suggestions as you can, and earnestly request that no further time be lost.

The suggestions of my Committee are:—

(1) All Life Assurance Companies not registered under the Indian Act must be made to deposit atleast Rs. 300,000 in Indian securities before commencing business in India, the securities to be of the market value of Rs. 300,000 as on 31st December of each year;

(2) With regard to Indian Life Assurance Companies the minimum limit of deposit should be raised from Rs.25,000 to Rs.50,000 and the maximum from Rs 200,000 to Rs 300,000, and the securities should be assessed at market value instead of at face value;

(3) All life Assurance and other Insurance Companies must be made to pay annual license fees, but if a Company is carrying on Insurance business in more than one branch it is to pay only one license fee;

(4) Life Assurance Companies not registered under the Indian Act should maintain sufficient assests in India in Indian securities to meet their liabilities on Indian policies;

(5) Indian Fire Insurance Companies should deposit Rs. 100,000, while Fire Insurance Companies not having their Head office in India should deposit Rs. 200,000. Indian Marine, Accidents, Employers' Liability, etc., Insurance Companies should each deposit Rs. 50,000, while similar Insurance Companies not having their Head Office in India should each deposit Rs. 100,000;

(6) There should be separate deposits for (1) Life (2) Fire, (3) Marine, (4) Accidents, Employers' Liability, etc.. businesses but a smaller deposit should be required when the same Company is doing more than one branch of business.

(7) All Insurance Companies not registered under the Indian Act should be made to submit returns showing premium income derived in this country from different branches of Insurance business in India, losses paid, etc., and

(8) All Indian Insurance Companies as well as those not having their Head Office in India but doing business in India should invest at least 25 percent of the net premium earned on Indian business in Indian securities, as allowed by the Indian Trust Act, which should be held in India.

My Committee trust Government will approve of and take early action in regard to atleast items (1), (5), (6) and (7) above. As to item (2), if Government do not agree with the figures submitted by my Committee it is hoped they will accept the principle and modify the existing figures in the Act to the extent they think right. If Government are unwilling to take any action on items (3), (4) and (8), it may be left to the Legislature to include them by amendments if they so desire.

APPENDIX 61.

PATENTS OF IMPERIAL VALIDITY.

No A-23 of 19th May 1923

From the Government of India, Department of Industries and Labour to Chamber

I am directed to forward for the consideration of your Chamber a copy of the Report of a Conference held in June 1922, of the representatives of the Patent Offices of His Majesty's Dominions and India, to discuss the question of instituting a system of granting patents which would be operative throughout the Empire. At the instance of the Board of Trade the Secretary of State for India has

invited the Government of India to consider the Report, and if they are prepared to accept the "Provisional Scheme" proposed by the Conference, to say what action they propose to take to give effect to it.

2. The idea of an Empire Patent is no new one. The disadvantage of the present system, by which an inventor, in order to obtain protection throughout the Empire, is compelled to take out numerous different patents at very considerable expense, have for a long time impelled patent experts and others interested in the subject to consider whether any scheme for a single Empire patent can be devised. The "Preferred' scheme put forward by the Conference contemplates the establishment of a Central Patent Office for the whole of the Empire fully equipped for as exhaustive an examination as possible of patent specifications including a comprehensive search for novelty covering the whole of the search activities at present undertaken in all parts of the Empire. Specifications passed by this office will simply be registered in the local office of any part of the Empire (including the United Kingdom itself) in order to obtain patent rights in that part, while at the same time the existing rights of any part of the Empire to grant local patents will be retained in full. It is clear that this scheme, if it ever becomes practicable, will do away with the present overlapping of functions and duplication of work undertaken in the different patent offices of the Empire. This will lesson the expense of obtaining full protection throughout the Empire, and by enabling fees to be reduced, should afford a very considerable stimulus to invention and to the development of new industries.

3. Recognizing, however, that the equipment of a Central Patent Office with the necessary material for extended examination and search will involve time and money, the conference proposed a "Provisional" scheme, which the Government of India understand, is intended to be purely a temporary measure and a step towards the ultimate realization of a Central Office. The object of the "Provisional" scheme, on which only it is necessary for the moment to concentrate attention, is to give a patent granted in the United Kingdom Patent Office validity in any part of the Empire in which it is registered, while at the same time retaining in full (as in the "Preferred"

scheme) the existing rights of any part of the Empire to grant local patents. This scheme appears to the Government of India to possess some of the advantages of the "Preferred" scheme, though only to a limited degree. In the first place, an Indian inventor by taking out a patent in the United Kingdom will acquire protection not only in the United Kingdom but in such other parts of the Empire as adopt the scheme. In the second place, the work of the Indian patent Office will be to some extent simplified and reduced by the elimination of overlapping investigations. The examination of United Kingdom specifications in regard to formalities, sufficiency of description and claims, will largely disappear, so that it should be possible not merely ultimately to reduce the fees to some extent, but also to devote more time to search for novelty in respect of local inventions, thereby improving the efficiency of the Indian office and the inherent value of an Indian patent. It has also been suggested that the simplified procedure under this "Provisional scheme" will tend towards an increase in the number of patents, and consequently increased prospects of the introduction of new industries and the development of existing industries in India.

4. On the other hand, it must be admitted that the scheme appears to give to a British inventor an advantage over inventors in other parts of the Empire, since by virtue of the United Kingdom patent he will be able to secure protection in other parts of the Empire by the mere process of registration; while the inventor who takes out a patent in India will obtain no such advantage, unless he also takes out a patent in the United Kingdom. The disadvantage however, is more apparent than real. It can hardly be disputed that, owing largely to the more comprehensive search for novelty conducted in the United Kingdom Patent Office, the United Kingdom patent is the most valuable as well as initially one of the least expensive of patents throughout the Empire. Consequently, while full reciprocity between the United Kingdom Patent Office and other less well-equipped office could hardly equitably be claimed, any invention of more than local significance would naturally and in any case be protected in the United Kingdom before application in any other part of the Empire.

5. It appears to the Government of India, however, that the success of the scheme must depend essentially on its adoption by a substantial majority of the Dominions and Colonies. So far as the Government of India are aware, the scheme has not yet been accepted in any part of the Empire, and indeed it has been rejected by one of the principal Dominions, on the ground that, as explained above, it contains no reciprocal provision for extension to the United Kingdom of patents granted in the Dominion.

6. It must, however, be remembered that, whatever importance may be attached to this objection, the "Provisional" scheme proposed is only intended as an *interim* measure, which it may be desirable to introduce pending the establishment and equipment of a Central Patent Office. The disadvantages of the "Provisional" scheme, which have been indicated above, do not for the most part apply to the "Preferred" scheme, while rejection of the "Provisional" scheme will obviously render the "Preferred" scheme much more difficult of realization.

7. The Government of India do not think it necessary for present purposes to examine the scheme in further detail, or to explain the changes in the law which its acceptance would necessitate. They desire, in the first instance, to be favoured with the opinion of the commercial community and others, interested in the subject on the question whether the principle underlying the scheme should be accepted. I am accordingly to ask for an expression of the views of your Chamber which may kindly be communicated to this Department, if possible, not later than the 1st August 1923.

No. T. 606, of 13th June 1923

From Chamber to the Government of India, Department of Industries and Labour.

With reference to your letter No. A-23, dated the 19th May 1923, the Committee of this Chamber cannot approve of the "Provisional Scheme" with regard to Patents on the same ground as that on which

Canada has rejected it *viz.* that it contains no reciprocal provision for extension to the United Kingdom of patents granted in the Dominion.

APPENDIX 62.

AMENDMENT OF CRIMINAL PROCEDURE CODE IN RESPECT OF THE POWERS OF THE PRESIDENCY MAGISTRATES.

No. 4035-C. of 14th July 1923.

From the Government of Bombay, Home Department to Chamber.

I am directed to forward herewith a copy of a Resolution of Government in this Department No. 4035 dated the 27th June 1923, and to request that you will be so good as to move the Indian Merchants Chamber and Bureau to favour Government with their opinion on the question of amending the Criminal Procedure Code in respect of the powers of Presidency Magistrates.

Government of Bombay, Home Department Resolution No. 4035 dated 27th June 1923.

Letter from the Government of India in the Home Department No. F.—188/23-Judicial, dated the 7th/9th June 1923 :—

"I am directed to address His Excellency the Governor in Council on the subject mentioned above. The question recently arose in connection with an amendment proposed to be moved by Mr. K. Ahmad in the Legislative Assembly requiring Presidency Magistrates to record evidence briefly in cases other than those specified in

sub-section (i) of clause 94 of the Bill to amend the Code of Criminal Procedure which has since been enacted as section 97 of Act XVIII of 1923. The Honourable Home Member promised that the local Governments and the High Courts concerned would be consulted and on this understanding Mr. Ahmad withdrew his amendment. The report of the proceedings will be found in Reports Volume III, No. 32, pages 2036–2038.

"2. The question has to some extent been considered before. The committee appointed to revise the Code of Criminal Procedure observed in December 1916 that there was no reason why Presidency Magistrates should be entrusted with wider powers than those of ordinary first class magistrates and that the whole question of the powers of Presidency Magistrates required reconsideration. Local Governments were accordingly addressed in Home Department letter No. 219-C., dated the 12th November 1917. The replies received indicated that there was general opposition to this suggestion and it was not pursued. In view however of the undertaking recently given in the Legislative Assembly, the Government of India now propose to examine the matter further.

"3. In connection with the previous enquiry the following amendments were proposed :—

(1) To amend section 362 of the Code so as to require a Presidency Magistrate to record a memorandum of the evidence in cases other than those mentioned in section 355, and to make a corresponding amendment in section 356.

(2) To repeal section 441 which empowers a Presidency Magistrate to supplement his judgment in a case in which the record has been called for by the High Court; and

(3) To repeal section 200 (*b*) which leaves it to the discretion of the Presidency Magistrate to examine a complaint on oath or not and to reduce the examination to writing or not.

The Government of India do not propose to state their views in detail on these proposals, but merely wish to offer a few general ob-

servations which may be of assistance to local Governments in the examination of the question.

As regards section 362, I am to invite a reference to section 97 of the Code of Criminal Procedure (Amendment) Act, 1923 (XVIII of 1923). Section 441 does not appear to be open to any strong objection. While it is possible that the discretion to make a subsequent statement allowed by this section might lead the Presidency Magistrates to curtail the statement of reasons which they are required to make under clause (*i*) of section 370 of the Code and there may be some reason on this ground for restricting the power of making a subsequent statement under section 441 to cases in which the Presidency Magistrates are not required to record a brief statement of the reasons for conviction under sub-section (*i*) of section 370, yet in practice the remedy lies with the High Court. The particulars required by section 370 could perhaps in some respects be supplemented on the lines of section 263 but such a change is of doubtful utility.

As regards the last part of proviso (*b*) to section 200, the Government of India are inclined to think that the section might be amended so as to provide that if the statement of the complainant is not reduced to writing by the Presidency Magistrate, the subject-matter of the complaint shall be so reduced to writing. This course would secure that there was a statement in writing of the complainant in all cases. Finally they are of opinion that there may be some advantage in amending section 411 so as to allow an appeal from a sentence of six months imprisonment passed by the Presidency Magistrate. The change could be effected by altering the words 'exceeding six months' to 'of six months or over'. The point however is in their opinion of no great importance."

"4. These remarks merely refer very briefly to certain suggestions that have been made to revise the procedure in the case of trials before Presidency Magistrates. There are doubtless many other aspects of the problem which local Governments will wish to develop and I am to request that the whole question may be re-exa-

mined and that the views of His Excellency the Governor in Council in the matter, after consultation with such judicial and other bodies as the local Government think fit to consult, may be communicated to the Government of India at an early date."

Resolution.—Copies of the letter from the Government of India should be forwarded to the High Court, the Advocate General of Bombay, the Solicitor to Government, the Chief Presidency Magistrate, Bombay, the Commissioner of Police, Bombay, the Municipal Corporation for the City of Bombay, the Chamber of Commerce, Bombay, the Indian Merchants' Chamber and Bureau, Bombay, the Bombay Vakils' Association, the Pleaders' Association of Western India, the Incorporated Law Society, Bombay, and the Bombay Bar Association for favour of opinion on the question of amending the Criminal Procedure Code in respect of the powers of Presidency Magistrates.

No. T. 853, of 9th August 1923.

From Chamber to the Government of Bombay, Home Department.

With reference to your letter No. 4035-C, dated the 14th July 1923, I am directed by my Committee to inform you that they approve of the Code of Criminal Procedure being amended as suggested by Mr. K. Ahmad.

APPENDIX 63.

REVISION OF PART I OF THE INTERNATIONAL SANITARY CONVENTION.

No. 1701-D of 21st June 1923.

From the Government of Bombay, General Department to Chamber.

I am directed by the Governor in Council to forward herewith copy of this Government Resolution, No. 1701, dated the 21st June 1923, on the subject mentioned above, and to request that the views of your Chamber in the matter may be communicated to Government not later than the 5th July 1923.

Government of Bombay, General Department Resolution No. 1701, 21st June 1923.

* Letter from the Government of India, Department of Commerce, No. 2322, dated the 14th June 1923 :—

Resolution :—Copies of the letter from the Government of India, and accompaniment, should be forwarded to the Commissioner in Sind and the Port Health Officer, Bombay, for favour of report before the 5th July 1923, after consulting the Shipping Companies at Karachi and Bombay respectively.

2. Copies of the letter and accompaniment should also be forwarded to the Chamber of Commerce, Bombay and Karachi and the Indian Merchants' Chamber and they should be requested to favour Government with their views before the 5th July 1923.

No. 3322, of 14th June 1923.

From Government of India, Department of Commerce to Local Governments.

I am directed to refer to the Hon'ble Mr. Montagu Butler's letter No. 437, dated Simla, the 12th of July 1922, in which the Government of Bombay was requested to furnish to Government of India, after cosultation with commercial and shipping interests, its suggestions in regard to the revision of Part II and III of the International Sanitary Convention of 1912.

2. The work of the Technical Committee on the revised draft of this Convention has now been completed. The next step will be to place the draft as a whole before an International Conference, which in all probability will be called in Paris shortly after the conclusion of the Peace Treaty between the Allies and Turkey. This will be the final opportunity for getting any changes made in the terms of the Convention. After that it will rest with the different Governments whether to adhere or not to the Convention. There are many strong reasons why, if possible, the Government of India should be able to accept the Convention. Largely on account of the recurrence of plague and other epidemic diseases, India is already, to a certain extent, treated as a "suspect" in sanitary matters by other countries in the world; and if most of the countries accept this convention, whilst India is unable to do so, other countries will be free, so far as their commercial and trade interests permit, to treat any ship coming from India as "suspect," in spite of the fact that India may actually be observing most of the conditions laid down by the Convention. If on the other hand, India is able ultimately to adhere to the Convention, her shipping will be treated similar to that of any other signatory to this agreement. As has been already stated, local commercial opinion has already been consulted in regard to the drafts of Parts II and III. It does not, however, appear from the correspondence that commercial and shipping interests were consulted on the draft of Part I, and it seems very desirable to the Government of India that those interests should

be consulted speedily and promptly on the provisions in this part which relate directly to plague. Copies of these portions are attached.

3. Attention is first requested to Articles 12 (3), which reads:—

"The competent authority shall take effectual measures in the case of plague to prevent rats gaining access to ships." The wording of this is perhaps not altogether happy, but the Government of India understand that this condition would be satisfied by a constant and steady campaign against the existence of rats within the dock area. It is chiefly in regard to Article 23 that commercial opinion is invited, namely the advisability and feasibility of insisting that "all ships, except those employed in the coastwise service, should be periodically deratised at least once in six months." When this section was under consideration by the Technical Committee the representative of the Government of India urged that the deratisation of ships should invariably be carried out at a port not infected with plague. He failed, however, to gain approval for that suggestion. The practical point lying behind that proposal was that it is extremely difficult to ensure that no rat gains access to a ship whilst the vessel is being loaded. Consequently, if a port is plague infected, it is extremely difficult to ensure in practice that a ship which had been deratised should not again become infected during loading. In view, however of the failure to get this amendment accepted in the Technical Committee, it may prove difficult to obtain its acceptance in full Conference. The difficulty would be increased if any colour were given for the suspicion that India—a country in which it is well known that plague is notoriously endemic—was endeavouring to avoid an obligation to undertake deratisation of ships. Therefore if shipping and commercial interests wish to put forward any proposed modification of this Article, it is most advisable to show clearly that their recommendations are based on facts and sound practical considerations, and not on any desire that Indian ports should be less strict in the sanitary precautions they take than those of other countries in the world. It is possible that this section may give rise to considerable discussion, since, as it is worded at present, it will

make it compulsory for every ship, cargo boat or liner, to be deratised every six months whether or not it has rats on board. This would appear to be a somewhat rigorous condition to apply to certain of the passenger routes in the world. If this presumption be correct, this section will receive careful scrutiny, and if India can put forward any suggested amendments which would be more suited to her conditions and convenient to shipping and trade and commerce as a whole, they would doubtless receive careful consideration. It should be borne in mind that the practical object aimed at by Article 23 is not the fumigation of ships, but the obtaining of rat free ships, so as to prevent the dissemination of infection.

4. As the Conference might now be convened at short notice and it is essential that the case on behalf of India be properly prepared, I am to request that the Government of India be favoured with an answer to this reference by July 15th.

No. T 725, of 11th July.

From Chamber to the Government of Bombay, General Department.

With reference to your letter No. 1701-D, dated the 21st ultimo on the subject of the Revision of Part I of the International Sanitary Convention, 1912, I am directed by my Committee to inform you that they approve of the article 23 thereof on which commercial opinion is chiefly invited.

(H) GENERAL TRADE AND INDUSTRY.

APPENDIX 64.

PUBLICATION OF THE DAILY LIST OF IMPORTS AND EXPORTS.

No. 7533 G. Dated 13th March 1923.

From the Government of Bombay, Revenue Department to Chamber.

I am directed by the Governor in Council to enclose a copy of the letter from the Government of India, Department of Commerce, No. 1359 dated 3rd March 1923, on the subject mentioned above, and to request that the Government of Bombay may be favoured with the views of your Chamber on the proposals contained in paragraph 2 of the letter.

No. 1359 of 3rd March 1923.

From the Government of India, Department of Commerce to the Government of Bombay, Revenue Department.

I am directed to say that, as a measure of economy in the Customs Budget, it has been suggested by the Collector of Customs, Calcutta, that the publication of the daily lists of imports and exports should be stopped unless the commercial public are prepared to raise their subscription so as to make the lists self-supporting. A similar proposal has been received from the Government of Burma, who suggest that these daily lists should be replaced by a weekly

statement of certain staple articles to be published in the local gazette, and consider that this would be much less expensive than the daily lists and would be sufficient for all practical purposes. In this connection the Collector of Customs, Rangoon, observes that an alteration of subscription rates would not result in any substantial improvement in the receipts.

2. These daily lists of imports and exports are published primarily for the convenience of trade, and the Government of India do not consider it desirable to come to a decision on these proposals until they have ascertained the views of the commercial public concerned as to the advisability or otherwise of (*a*) discontinuing these lists altogether, (*b*) substituting for the daily lists a weekly list as suggested by the Government of Burma, or (*c*) placing the lists (either in their present or in a changed form) on a self-supporting basis by raising the contribution. I am therefore to request that, with the permission of His Excellency the Governor in Council, the local commercial community may be consulted in the matter, and their views, together with comments of the local Government thereon, may be communicated to the Government of India in due course.

No. T. 294 of 3rd April 1923.

From Chamber to the Government of Bombay, Revenue Department.

With reference to your letter No. 7533-G., dated the 13th ultimo I am directed by the Committee to inform you that they have no objection to the proposal to discontinue the publication of the daily list of imports and exports.

APPENDIX 65.

PROPOSAL TO DISCONTINUE THE PUBLICATION OF MONTHLY TRADE RETURNS OF THE BOMBAY PRESIDENCY IN PART VI OF THE BOMBAY GOVERNMENT GAZETTE.

No S/449 of 31st May 1923.

From the Collector of Customs, Bombay to Chamber.

In view of the urgent necessity for retrenchment and economy in all directions I intend to recommend Government to discontinue the publication of the monthly trade returns of the Presidency of Bombay excluding Sind in Part VI of the Bombay Government Gazette. These returns cannot be published punctually and do not give comparative figures, and I understand that very little use is made of them by the public, which naturally prefers the more complete and up-to-date information published by the Commercial Intelligence Department and by the Bombay Chamber of Commerce. I therefore have the honour to enquire whether your Chamber and Bureau have any objection to my proposal.

I may add for your information that the Karachi Chamber of Commerce have assented to a similar proposal recently made by the Chief Collector of Customs in Sind for the discontinuance of the publication of the Sind trade returns in the Sind Official Gazette.

No. T. 569 of 6th June 1923.

From Chamber to Collector of Customs, Bombay.

With reference to your letter No. S/449 dated the 31st ultimo, I am directed by my Committee to state that they have no objection to your proposal to discontinue the publication of the monthly Trade returns of the Presidency of Bombay excluding Sind in Part VI of the Bombay Government Gazette.

APPENDIX 66.

COAL CONFERENCE.

No. 1432, of 22nd June 1923.

From the Indian Mining Federation, Calcutta to Chamber.

The Committee of the Indian Mining Federation have for some time past been moving the Government of India in regard to certain matters which are likely to interest your Chamber. These matters are (1) the reduction of Coal freights for long distance traffic (2) the restoration of an export rebate on all coal shipped from Calcutta to inland or foreign ports and (3) the imposition of a countervailing duty on the bounty-fed South African coal. It will be observed that all these are measures which concern as vitally the producers of coal as the industrial consumers whom Indian Merchants' Chamber represent. Hitherto, the representations of the producing interests in these matters have not been productive of much result and it is felt that the only method now left open for a further pursuance of these subjects is to organize a concerted action of the leading producing and consuming interests in coal. One of the possible lines of action, provisionally suggested, is a deputation to wait upon His Excellency the Viceroy, consisting of representatives of the Indian Merchants' Chamber, Mill-owners' Association, Bombay, Indian Mining Association and the Indian Mining Federation, Calcutta. A suitable opportunity for such a deputation is probably provided by the next July session of the Assembly when Messrs. N. C. Sircar and Ashriff. O. Jamal of this Federation will be at Simla to attend the Assembly and presumably there will be members from Bombay too to join the deputation as representatives of your Chamber.

2. I am directed so request you to please let me know as soon as possible if the proposed deputation has the approval of your Committee and if your Chamber will be in a position to nominate

a representative to join the deputation at Simla some time about the third week of July.

T. 723, of 11th July 1923.

From Chamber to the Indian Mining Federation, Calcutta.

I am confirming the telegram sent to you today as under :—

"Your letter 7th enclosing draft address. Committee Indian Merchants' Chamber agreeable to join your deputation and have nominated two representatives. Letter follows, Inchambu."

My Committee have nominated the Honourable Mr. Lallubhai Samaldas C. I. E., and the Honourable Sir Purshotamdas Thakurdas, C. I. E.. M. B. E, as their representatives on the deputation. The Honourable Sir Purshotamdas, however, has agreed to join the deputation only on the condition that the final draft of the address is approved of by him after his consultation with your representatives in Simla.

No. 1971, of 24th July 1923.

From the Indian Mining Federation to Chamber.

With reference to the correspondence ending with your letter No. T 723 dated the 11th instant last on the subject noted above, I am directed to forward herewith a copy of the telegram from Private Secretary to His Excellency the Viceroy. It will be observed that His Excellency while willing to receive the proposed deputation expresses a desire for the representatives of the Indian Mining Federation, Indian Mining Association and the Indian Merchants' Chamber, to discuss matters with Honourable Mr. Chadwick. The telegram at present yet awaits a fuller consideration of the Committee, but chances are that a jont deputation will not be pressed for pending an interview with Mr. Chadwick, as suggested by

His Excellency. In any case, a further communication on the subject will shortly follow.

Copy of Telegram.

"From Private Secretary, Viceroy, Simla, to Minefed, Calcutta."

"Your telegram of 23rd Viceroy is willing to receive deputation but as points you mention are under consideration of Commerce Department at present he desires representatives of I. M. F., I. M. A. and Indian Merchants' Chamber Bombay first to discuss matters mentioned with Honourable Mr. Chadwick who is visiting Calcutta in August. If after interview with Mr. Chadwick your members still desire interview with His Excellency he will be pleased to receive deputation."

No. 1981, of the 26th July 1923.

From the Indian Mining Federation, Calcutta to Chamber.

In continuation of this office letter No. 1971 dated the 24th instant last I am directed to attach herewith a copy of the telegram sent to the Private Secretary to His Excellency the Viceroy. In doing so I am to express a hope that the action taken will receive the approval of your Committee. In connection I am also to express a hope that it would suit your Chamber to send one or two representatives to Calcutta to join the conference of the representatives of the Indian Mining Federation and Association with the Hon'ble Mr. Chadwick early in August. The date of Honourable Commerce Member's visit is not yet definitely known but shall be communicated to you as soon as ascertained.

Copy of Telegram.

From Minefed, Calcutta to Private Secretary to His Excellency the Viceroy, Simla.

"Referring to your telegram dated 23rd July Mining Federation and Mining Association defer to His Excellency's desire but respectfully urge that the Honourable Commerce Member should immediately visit Calcutta as further delay in decision of the matters in question will gravely prejudice the position of Coal trade."

No. T. 820 of 1st August 1923.

From Chamber to Indian Mining Federation, Calcutta.

I am directed to acknowledge your letters, No. D. O. 1971, of the 24th July 1923, and D. O. 1981, of the 26th July 1923.

My Committee approve of the action taken by your Committee in connection with the Deputation to His Excellency the Viceroy. They ask me again to inform you that they are in full sympathy with the demand put forward in the joint address.

With regard to representation at the Conference of the Indian Mining Federation and Association with the Honourable Mr. Chadwick, my Committee will try to send one or two representatives on their learning the exact date from you.

No. 2048 of 2nd August 1923.

From the Indian Mining Federation to Chamber.

In continuation of this office letter No. 1981-10-2-1 dated the 26th July last I am directed to forward herewith a copy of the letter from the Honourable Mr. Chadwick, the Offg. Member for Commerce and Railways which will speak for itself. It will be observed that the Honourable Member suggests the 22nd instant as the date on which he proposes to meet at Calcutta the representatives of the Indian Mining Federation, Indian Mining Association and your Chamber. In the opinion of the Committee of the Federation the conference ought to have been arranged for an earlier date. In

view, however, of the specific suggestion made by the Honourable Member for a preliminary conference of the coal interests with the railways, the Committee of the Federation do not see how the final conference can be expedited further. The Committees of the Association and the Federation are now arranging to meet the railways some time in the next week and should it be possible, it is proposed that the Honourable Member will be wired to meet the representatives of the Federation, Association and your Chamber about the 15th or so. The position briefly stated, therefore, is that, provisionally the Honourable Member has fixed 22nd as the date for meeting your representatives along with ours but as the Committee are keen on an earlier date there is some chance of this conference taking place earlier, in no case, however, earlier than 15th or 16th.

2. I am now to express a hope that your Chamber will make it convenient to send representatives to this proposed conference. As you will observe on a reference to paragraph 3 of the Honourable Member's letter that he himself reckons on the attendance of your representatives.

3. An early reply on this point will be very much appreciated, in the meantime you will be kept fully advised of further developments of the matter.

No. 4056 of the 30th July 1923.

From Member in Charge, Department of Commerce and Rys. to Indian Mining Federation, Calcutta.

I would refer to the telegrams which have passed between your Federation and the Private Secretary to His Excellency the Viceroy regarding the deputation which the Federation, Association and Indian Merchants' Chamber and Bureau desired that His Excellency should receive. In those telegrams you mentioned three points for discussion, namely,

(*a*) Advisability of reduction in coal freight rates,

(*b*) Re-introduction of the rebate in railway freights on coal shipped to Indian (?) and foreign ports, and

(*c*) The desirability of imposing a countervailing duty on South African coal to the extent of the rebate in railway freight enjoyed by it.

2. These raise the whole question of the transport of coal; Mr. Hindley, the Chief Commissioner of Railways and myself are anxious and ready to meet the Federation and Association jointly to discuss the situation in the hope that a conference may prove productive of practical results. For this purpose, it is obviously necessary that the case of the coal interests should be fully worked out and supported by facts and figures and it is desirable that the matter should first be discussed by you and the Association with the Railway administrations concerned, who would clearly require a little time to consider in detail the representations made. Perhaps you have already worked this out with them, but, if not, I would be glad if you could do so. I trust that you will arrange at once jointly with the Association for a preliminary discussion with the Railway administrations who are primarily concerned on the question of rates and that the complete case can be submitted to me in good time to enable me to examine it before the proposed conference. By such means, I hope we may be able at the meeting to get down to the real consideration of facts. In these circumstances, I would suggest that August 22nd. or 24th. should be fixed for the conference and I shall be obliged if you will inform me, after consulting the Association, whether such dates appear to you to be suitable.

3. This would also give time to enable you to get into touch with the Indian Merchants Chamber, Bombay, who, I understand you are desirous should be able to send representatives to the proposed conference.

4. A copy of this letter has also been sent to the Secretary, Indian Mining Association and the Chief Commissioner, Mr. Hind-

ley, will send copies to the Agents of the Railways primarily concerned.

No. 2074 of 6th August 1923.

From the Indian Mining Federation to Chamber.

Proposed interview with the Honourable Mr. Chadwick.

In continuation of this office letter No. 2048–10-2-1 dated 2nd instant I am directed to forward for your information the copies of telegram exchanged with the Honourable Commerce Member. Please observe that 22nd August is finally decided as the date of the proposed joint interview. The Committee of the Federation shall now be obliged to hear of your representative. The Committee have with thanks noted the expressions of hope contained in your letter No. T. 820 dated the 1st instant that such representative will be possible to be sent to the joint Conference.

True Copies.

From—Commerce Chadwick, Simla. To–Minefed, Calcutta:—

"4152 please telegraph whether meeting to be held twentysecond or twentyforuth am anxious to settle my tour programme"

Sd .Chadwick.

From—Minefed, Calcutta, To Chadwick–Commerce, Simla:—

" Reference 4152 of two dates mentioned twentysecond preferred an earlier date if possible more welcome"

Minefed.

From-Chadwick, Simla To-Minefed, Calcutta:—

"4152 Yours fourth twentysecond suitable earlier date impossible please send full statement asked for"

Sd. Chadwick.

T. 871 of 11th August 1923.

From Chamber to the Indian Mining Federation, Calcutta,

With reference to your letter No. 2074 dated the 6th instant, I am directed by my Committee to inform you that the following gentlemen will represent this Chamber at the Joint interview with the Honourable Mr. Chadwick, Member for Commerce, Government of India, on the 22nd instant at Calcutta:—

(1) Lalji Naranji, Esq., M.L.C.,

(2) The Hon'ble Mr. Lallubhai Samaldas, C.I.E. and

(3) Walchand Hirachand, Esq.

APPENDIX 67.

REMOVAL OF GODOWNS OF ASAFOETIDA FROM THEIR PRESENT LOCATION.

No. T. 879 of 14th August 1923.

From Chamber to the Commissioner, Bombay Municipal Corporation.

My Committee are informed that action is being taken or proposed to be taken to have godowns of asafoetida removed from their

present location on the ground that the trade is "a nuisance". As my Committee are aware, such a campaign was carried on for a long long time against the oil trade. They are not aware of the exact definition of "a nuisance" to which plea Municipal authorities appear to resort when they want to have a particular trade commodity removed from a particular locality. My Committee will be much obliged if you will kindly enlighten them as to what constitutes a nuisance with regard to any trade product.

No. H B -157-D of 27th October 1923.

From the Municipal Commissioner for the City of Bombay to Chamber

With reference to your letter dated 14th August 1923, I have the honour to inform you that, you are under a misapprehension when you state that, it is intended to take action for the removal of all godowns, where Asafoetida is stored from their present location. No such action is contemplated, except in individual cases, where bona fide nuisance may be caused. The word "Nuisance" is very comprehensively defined in Section 3 (Z) of the Municipal Act to which a reference is invited.

Though Asafoetida, as its name implies, is a substance with a very nasty and foetid odour, it is not intended to take action in all cases where it is stored within Municipal limits but only in those cases where a genuine nuisance is created. When improperly stored such a nuisance occurs and under such circumstances, it is proper for the Commissioner to take action under Section 394 (1) (d) (ii) of the Municipal Act.

APPENDIX 68.

DISAPPEARANCE OF LOADED BULLOCK CARTS IN THE CITY OF BOMBAY.

No. T-931, of 22nd August 1923.

From Chamber to the Commissioner of Police, Bombay.

The attention of the Committee of the Chamber has been drawn to the complaint of a member of this Chamber that instances are happening now and then of bullock carts fully loaded disappearing in the City. Such thefts are facilitated, it is alleged, by the removal of Tin Nos. from the bullock-carts and some times by the brass buckle of the driver being taken away by some other people. My Committee may say that this is not in any way a stray complaint but that they have received such complaints from several people engaged in trade and industries. The commercial community has naturally to suffer much loss through such thefts. My Committee beg, therefore to request you to be good enough to look into these complaints and to arrange for the eradication of all such thefts.

No. 7845-40 B of 30th August 1923.

From Dy. Commissioner of Police to Chamber.

In reply to your No. T-931 dated the 22nd August 1923, I have the honour to invite your attention to a notice issued by the Commissioner of Police in March 1920, and repeated in July 1921. In case you have not this notice to hand I append a copy. The real remedy lies in the hands of merchants themselves, *viz.* a careful check of every bullock cart employed.

Notice.

Cases are frequently reported to the Police in which goods loaded into bullock carts are misappropriated. Enquiries show that in practically every case the guilty man has obtained wrongful possession either of a bullock cart driver's badge or of the number plate of labour cart and by these means has induced persons to deliver to him a cart load of goods which he does not take to their destination. It therefore appears advisable to the Commissioner of Police that merchants should warn their Methas and godown clerks never to employ a bullock cart without satisfying themselves that the number plate on the labour cart tallies with the number on the driver's badge. It is extremely unlikely that an unauthorized person would be able to obtain possession of both the driver's badge and the number plate of the same cart and, if the number do not tally, the driver should be regarded with suspicion and handed over to the Police for enquiry.

2. The Commissioner of Police is certain that if this simple precaution is taken the number of cases of criminal breach of trust of this nature will be very greatly reduced.

Head Police Office
Bombay, 18th March 1920.

F. C. GRIFFITH,
Commissioner of Police.

No. T 1014. of 25th September 1923.

From Chamber to the Commissioner of Police, Bombay.

I am directed to acknowledge the receipt of your letter dated 30th August 1923, No. 7845-40 B, and to thank you for sending a copy of the Notice issued by the Commissioner of Police in 1920. My Committee were aware of this notice and have directed me to inform you that it is generally the practice of Mehtas and Godown clerks to satisfy themselves that the number plate on the labour cart tallies with the number on the driver's badge. It happens, however several times that the number plate is afterwards removed and an-

other substituted in its place. The identity of the number on the plate with the number on the driver's badge is not in short a guarantee, my Committee are informed, that there is no fraud intended. My Committee suggest that the number plate should be made irremovable and think for this purpose it would be better if cast-iron number were fixed on the cart as also that the number should be painted on the cart. This will remove the chances of any tampering with the number plate.

No. 9018-40-B of 29th September 1923.

From the Commissioner of Police to Chamber.

With reference to your No. T-1014 dated the 25th instant, I have the honour to inform you that orders have been issued some time ago for the abolition of the tin plate and the substitution of number painted on the board built into the cart.

(I) INTERVIEWS WITH GOVERNMENT OFFICIALS.

APPENDIX 69.

INTERVIEW WITH THE HON'BLE THE FINANCE MEMBER OF THE GOVERNMENT OF INDIA.

A meeting of the Committee of the Indian Merchants' Chamber took place on Wednesday the 4th April, 1923, to meet the Hon'ble Sir Basil Blackett, Finance Member, Government of India, for the purpose of discussing with him various questions connected with his Department. The President of the Chamber, Sir Fazulbhoy Currimbhoy, Kt., was in the chair. Along with the Hon'ble the Finance Member were also present Mr. A. C. McWatters, Secretary to the Government of India, Finance Department and Mr. H. Denning, Controller of the Currency.

President's Speech.

Sir Fazulbhoy Currimbhoy, in opening the proceedings made the following speech:—

Sir Basil Blackett and Gentlemen:

I have pleasure, on behalf of the Chamber, in extending you our warm welcome on the first occasion of your official visit to Bombay. The occasion which brings the Finance Member in our midst is always appreciated by us. I can only wish that we could have more of such occasions and that the controversial issues on such occasions should not be as great as the Government are providing by their policy in numerous directions against the clear-stated Indian public opinion. It is regrettable that the Government have not been able to put their house in order as regards finances, notwithstanding the support which they received from the weighty recommendations of the Inchcape Committee. The recommendations of the Inchcape Committee do not go so far as some of us would like them to go, but, speaking on behalf of this Chamber, I must state that we are extremely disappointed that the Government have not been able to take their courage in both hands and effect the necessary cuts in the military expenditure, which would have enabled them to avoid the unfortunate Salt Tax controversy. I do not wish to enter, on this occasion, into any theoretical discussion as to the taxable capacity of the people of India, but speaking on behalf of the merchants I would say this: that we have reached the absolute limit of burdens that trade can possibly bear and we feel it but right to warn you, that the imposition of any further charges on trade will kill the goose that has been laying golden eggs for you. On the other hand, the trade depression in India has already brought acute unemployment among the middle classes and is likely to cause wage reductions all round. Looking to the poverty of the people, therefore, it is necessary to have a less costly form of administration than the present one and to secure large reduction in military charges by the creation of a suitable sized air force and of a territorial army consisting of Indians.

In this connection the point that I wish to urge on the Government through you is that this Chamber has heard with dismay of the restoration of the salt-tax by the process of certification. As businessmen we are fully aware that you must have the wherewithal to carry on the administration, but, as businessmen, we must also tell you that you must cut your coat according to your cloth, and it is no use exasperating that large section of sober people, with stake in this country, who have until now supported the Administration and supported the Government very often against the grain and in spite of the pinpricks inflicted upon them from time to time by the action of the various departments of the State. As a constitutional issue the restoration of the salt-tax by His Excellency the Viceroy must be regretted as an unfortunate blunder in so far as it has weakened, and in some cases finally destroyed, the faith which the people af India put in the declaration of August 1917 and in the desire of His Majesty's Government to see this country gradually advance to self-government through the reforms granted. With what confidence can one look forward to the future when the Government choose to set aside the considered decision of the representatives of the people after prolonged discussion in the course of two sittings of the Assembly, not on any large vital issue on which the Assembly was carried away by any narrow considerations of race or any other sentiment, but on an issue which related to Indian self-respect in so far as it affected the standard of living of the masses of the people of India? No occasion would have been more ill-chosen for the exercise of these powers by the Viceroy, powers which should be only exercised when called for by the gravest constitutional crisis involving large issues of first class magnitude, in the final settlement between the vested interests of England in this country and the real interests of Indians themselves.

Nor can we agree with the explanation given by His Excellency of his action in this regard. It hardly carries conviction and will not, I am afraid, reconcile the country to this episode. I am sorry to remark that His Excellency has been served by his advisers very badly. It is no use arguing that such action is taken "in the interests of India" either immediate or ultimate. This has been the

excuse which the Government have advanced in the past on all occasions when they have done anything radically opposed to public opinion. Sir, the question has been deliberately brought by His Excellency through his action from the field of pure finance into the field of politics, and in this direction we can no longer discuss as to whether the salt-tax will press heavily or lightly on the people. But, we can only ask, what are the represetatives elected for if not to decide what burdens should be borne by the people? An administration so far removed from the express wish of the people, through their properly elected representatives, must forfeit the affection and confidence of even those who are not ordinarily drawn into the exciting arena of political warfare.

In the matter of the currency and exchange the Government have found that the opinions expressed by Indians, however unpalatable they may be, have come true. It is therefore, to be regretted that the Government have adopted a policy of inaction and apart from being dictated by London monetary interests, they have disregarded Indian opinion. It is a matter of further regret that His Excellency the Viceroy should have chosen to express himself at the time of the last annual meeting of the Associated Chambers in terms in which he did, saying that Rupee would right itself if only it was left alone. What, Sir, of the sacrifice of crores of rupees of Indian money in the interval, having regard to the uncertainties and losses inflicted on trade? This is a matter which wants radical improvement and the first step to be taken is the repeal of the Currency Legislation passed during September 1920.

My Committee would in addition refer very briefly to some of the most outstanding matters in this department. They would like the bulk if not the whole of the Gold Standard Reserve Fund to be kept in this country. They would like silver to be purchased in this market whenever occasion rises in future and by open tender; they would like the management of the Indian debt in the United Kingdom to be placed with the London branch of the Imperial Bank of India, and they would like arrangements to be made for the printing of Indian paper currency notes in this country.

I cannot describe to you the harm which has been done to the interests of Indian trade and industry by the policy of wholesale borrowing adopted by the Government of India and the Provincial Governments in this country regardless of the effect which their borrowing at very high rates of interest had on general monetary situation. One of the causes of the depression of trade at the present moment is undoubtedly the very high rates for loanable money which have prevailed for some time past, the main explanation of which is to be found in the competitive investments offered by Government loans at unduly high rates. We would suggest therefore that in the next loan, which the Government issues, the rate should under no circumstances exceed five and a half per cent.

As a permanent guarantee against money rates being carried too high, we would urge the adoption of the measures which will secure the issue of an emergency currency as soon as the Bank rate exceeds six per cent. This must be secured if accommodation is to be made available to trade and industry through Bank at reasonable rates. This issue of additional currency against first class commercial paper has been recommended from time to time and the Government have definitely adopted it, but with reservations which altogether nullify its usefulness. What impresses the business community is a bold action which immediately registers itself in beneficial condition to trade, and this is what we are asking the Government to do instead of merely tinkering with the currency and exchange to suit interests outside India. Businessmen, at all events, on this side of the country feel that the stringency of the money market is to a large extent caused by the action of the Government and is capable of being put right if only the Government will put their shoulder to the wheel.

As I mentioned above, my Committee feel that the Government have from time to time taken action on a number of matters in disagreement with public opinion and particularly with Indian commercial opinion. We recognise the dual position of you, Sir, as Finance Member, having on the one side the Finance Committee of the India Office dictating to you from London to suit the

convenience and interests of the London money market, and the Assembly and Indian public opinion expressed through bodies like us, making suggestions and requests on the other hand in accordance with the convenience and interests of India. We would only urge upon you, Sir, the fact that you are the trustee of the revenues of this country and paid for by the people of this country and expect you to jealously safeguard the interests of this country. The fact that Indian public opinion asked for the appointment of an Indian as Finance Member, will indicate to you their anxiety in this direction, and in any attempts that you make to stand up against what we fear to be dictation from London, I assure you on behalf of this Chamber, that you will always have our unreserved support.

There is only one more topic, on which I should like to touch. I would draw your attention to the Imperial Economic Conference which has been timed to meet some time next winter in London. Delegations to such conferences have been arranged in a haphazard manner in many cases in the past and have consequently borne no fruit. Nor there has been a correct appreciation of the issues involved in the work done in Europe by these delegations. Under the circumstances we would respectfully suggest to the Government of India through you to make arrangements on lines indicated in our telegram on the subject. We think that at least half the number of the delegates going on behalf of India should be non-official Indians and that at least one representative of this Chamber should form part of this delegation on the next occasion. It is not for us to blow our own trumpet, but this Chamber occupies a unique position as a Public Association of businessmen and if the Government want us to co-operate with them and to help them in the difficult problems which come before them from time to time, nothing will be calculated to secure that effect better than the step, which I take this occasion on behalf of this Chamber to put before you.

In conclusion, let us again extend to you our warm welcome on this occasion and trust that this will be the first of numerous pleasant meetings in future.

Reply of the Hon'ble the Finance Member.

After the Chairman's speech, the Hon'ble Finance Member expressed his pleasure at having this opportunity of meeting the members of the Committee of the Chamber and proceeded to reply in detail to the various matters discussed in the Chairman's speech.

On the question of the salt tax, the Hon'ble Member was unable to accept the view put forward by the Chairman. As however the Chairman had pointed out that the question had now been removed from the field of pure finance into the field of politics, it was unnecessary for him to discuss the financial and economic aspects of the question.

The Hon'ble Member dealt at some length with the currency and exchange policy of the Government, pointing out that a mere alteration of the statutory rate from 2s. to 1s. 4d or to any other rate which might be fixed would not in itself secure stability in exchange. He maintained that the time was not yet ripe for attempting to fix exchange and that it was in the best interests of India at present to watch events.

The Hon'ble Member took exception to the remarks made by the Chairman that the financial and currency policy of the Government of India was being dictated from London and emphatically repudiated any such suggestion. He further pointed out that the prosperity of the United Kingdom was essentially dependent upon the prosperity of the rest of the world and it was therefore not at all likely that the Government of Great Britain would be unmindful of the prosperity of India. In fact, the interests of England and India were essentially one.

The Hon'ble Member pointed out some of the difficulties involved in the suggested transfer of the Gold Standard Reserve to India. The only practical method of effecting such transfer at present would be by an actual transfer of gold, and the Reserve would then earn no interest at all and there would be a deficit of about 1½ crores in 1923-24 instead of a small surplus. Any other method of transfering the Reserve to India would produce the most serious effects upon exchange,

For the present at least he suggested that the question of the transference of the Gold Standard Reserve from England to India should be postponed until the question of the stabilisation of the rupee-sterling exchange was solved. He pointed out incidentally that in the discussions in which he took part at Genoa the majority of the leading financial experts of various countries had expressed their approval of a gold exchange standard as a system of currency which in some respects and in certain circumstances presented advantages even over a gold standard with a gold currency.

As regards the Chairman's suggestion that the Imperial Bank of India's Branch in London should take over some of the work that is being done by the Bank of England on behalf of India, the Hon'ble Member stated that Government were considering this question and he hoped that some satisfactory arrangement would result. He took this opportunity to remove the impression, which appeared to be current, that the Bank of England considered its interests adverse to those of the Imperial Bank. He assured the Committee from his personal experience that such was not the case and that the Bank of England was anxious to co-operate with the Imperial Bank in London.

The Hon'ble Member then mentioned the subject of the printing of currency notes in India and explained that Colonel Willis was at the present time examining this question in England and that his report was expected shortly.

As regards the general borrowing programme of Government, the Hon'ble Member said that he was naturally not in a position now to make a statement on the subject, but he hoped that Government would be able to limit their borrowings to a definite amount and would be able to borrow at more favourable rates than those obtained in recent years.

The Hon'ble Member then invited the opinion of the Chamber on suggestions for improving the present system of loans from the Paper Currency to the Imperial Bank. He put forward the suggestion for their consideration that the present limit of 5 crores might

be extended to 12 crores of which 8 crores might be issued when the Bank rate was at 6 per cent, a further 4 crores when the Bank rate was at 7 per cent, and a further 5 crores when the Bank rate was at 8 per cent. The loans should carry interest at Bank rate varying.

Finally, as regards India's representation at the Imperial Economic Conference, the Hon'ble Member remarked that this subject properly belonged to the Department of Commerce and might therefore be discussed with the Hon'ble Mr. Chadwick at the time of his visit to the Committee. He, however, assured the Committee that he would place their views before the Government of India for their consideration.

The Hon'ble Member then invited questions from individual members of the Committee and gave further information on a number of points which were put to him by the members of the Committee.

The Hon'ble Mr. Purshotamdas Thakurdas said that the Committee would be glad to have the assurance of the Hon'ble Sir Basil Blackett that he would be guided by India's interests solely. He however was pained to note Sir Basil's attitude in connection with the observation in the Chairman's speech that the Government of India at times looked like being dictated to from London by motives other than the welfare of India's interests. Mr. Purshotamdas felt sure that he was speaking on behalf of the Committee when he said that they had all through their career of very nearly twenty years avoided making any imputations of wrong motives to anybody and particularly to the Government of India. He was sure that the same policy continued today. He however could not help feeling that what the Chairman may have referred to was meant particularly to reflect before the Finance Member the strong feeling that existed in India especially among the Indian public and press in this connection. Without raking any old grievances or controversies, he may safely refer Sir Basil on behalf of the Chamber to the extremely deplorable persistence of the Government of India in selling Reverse Councils, despite most grave and practically day to day protests and warnings from the Indian commercial bodies and public in general and this Chamber in particular. He fully remembered how

at that time a Sub-Committee of the Indian Merchants' Chamber met from day to day and sent most unambiguous telegrams to the Government of India appealing to them to desist from a course which was absolutely disapproved of by everybody who knew anything about India and India's resources, and also by one Member of the Indian Currency Committee—the one member who knew most about India and Indian Finance on that Committee. He would only refer to that in order to show to Sir Basil how the Indian public come to make any such remarks which the Government of India consider undesirable. But in addition to this Mr. Purshotamdas said that he very strongly felt that the Committee of his Chamber would not be doing their duty to either the public whom they had the honour to represent, or the Government whom they wished to be useful, if they did not reflect before the representatives of the Government who interviewed them, the correct Indian feeling. For after all allegations like what Sir Basil objected to had continuously been made with increasing vehemence during the last few years. He wished to remind Sir Basil that the Committee of the Chamber could hardly be serving the purpose that everybody expected them to do if they did not mention to Sir Basil how strong the feelings of Indians were in certain matters referred to by the Chairman in his speech.

Mr. Purshotamdas reminded Sir Basil of his (Sir Basil's) firm opinion expressed at the Genoa Conference to which Mr. Purshotamdas referred at length in his speech at Annual General Meeting of the Chamber in last February. He hoped that Sir Basil would be able to enlighten the Committee why he proposed to treat India quite differently from lines which Sir Basil himself had laid down for much less solvent European powers in May last year.

Mr. Purshotamdas further said that he was delighted to learn from Sir Basil that he intended to move without delay the change in the Paper Currency Act, regarding advances to the Imperial Bank during seasonal stringency of money. That again was a subject that Mr. Purshotamdas had dealt with at full length at the time of his Presidential speech last February. Mr. Purshotamdas asked the Finance Member to imagine for himself the great saving that would

be caused to the Indian cultivator for whose welfare the Government of India were always very solicitous if at the time of marketing his crops money could be got at a reasonable rate of five or six per cent intead of having to pay the rather scarcity rate of 8 per cent as the Imperial Bank of India rate. If money could not be available even on Government securities at less than 8 per cent at that juncture, it was most difficult for the cultivator to hold his crops, or for the middleman to finance himself or the cultivator. During this season money has not been available to the latter at less than 10 per cent. In many cases it has not even been available at that rate. Will the Finance Member, he asked, submit to the Government of India a rough estimate of the increased prices that may be available to the cultivator if money were made available at say 6 per cent instead of 8 per cent to the Imperial Bank? He presented to the Finance Member a constructive suggestion for greater revenue for the Government in the shape of more income-taxes etc., and for greater prosperity of the cultivator. He wished that the Finance Member would bring into operation whatever scheme he may have in his mind in this matter before the next busy season.

Mr. N. M. Muzumdar said that without going into the merits of the Salt Tax he would say that the opinion of the Chamber was that no additional taxation would have been necessary at all, had the Government effected sufficient retrenchment to the extent recommended by the Retrenchment Committee.

He then referred to the heavy loan programme of the Government which year by year drained the money market and starved industrial finance. He begged the Finance Member not to make this year's loan an indefinite issue but to close the list as soon as Rs. 25 crores were subscribed. Government, he said, were, in their borrowings, competing with industrial borrowings by their tax free loans; and the more they borrowed from the public the less there was available for industries and trade. He urged that in the end the exchequer of any country must rely on the productivity of its people, and anything that was calculated to cripple the resources on which alone trade and industry could prosper must ultimately re-act on the

revenues of the Government themselves. (The Finance member said they were considering whether they could avoid an indefinite issue.)

Mr. Muzumdar then referred to an iniquity in the taxation on the incomes of companies and individuals as imposed by the existing act. He did not think that it could ever have been the intention of the Legislature that the same income derived from one single original source should be liable to taxation at each stage of its mere book transfer from one company to another holding company or from that company to an individual shareholder of it. And yet under the present Act it was so. It was certainly very unfair, and limited the advantages of joint stock companies and called for relief. The Hon'ble Mr. Lalubhai Samaldas had moved an amendment to Clause 55 of the Consolidating Bill of last year, which was, however, thrown out. He urged the Finance Member to consider the matter and examine the cogent arguments advanced by the Hon'ble Mr. Lalubhai. Such repeated taxation of the same income heavily affected businessmen, and he hoped the burden would be removed.

(The Finance Member said that he would make a note of it and go into the matter.)

Proceeding Mr. Muzumdar referred to the memorandum submitted by the Controller of Currency to the Retrenchment Committee in regard to the relative costs of the silver and the paper rupee. (The Finance Member said that the Retrenchment Committee had recommended the examination of the question, and he would be glad if the Chamber sent their views on the advisability or otherwise of continuing with the paper rupee.)

Mr. Madon rose to make a few remarks and said that as there was very little time left he would draw attention to only one point. The Honourable Member had said that we should wait and watch developments before we made up our minds to link up the rupee to any foreign currency, but Mr. Madon pointed out that Indian commercial opinion had been emphatically against anything of the sort. It had always insisted on India having a real Gold Standard and

not a Gold Exchange Standard and he submitted that the question, therefore, was not of linking the rupee to any other currency, English or foreign. What India wanted was to have the rupee linked to gold. Every Gold Standard country had its unit of currency defined by law as so many grains of gold of a given fineness and our Indian unit must similarly be linked to gold.

The Honourable Member had further said that it really did not matter if the 2 sh. rate was on our Statute Book. It had been there for the last two years and did not interfere in any way with the course of trade but Mr. Madon begged to differ. He pointed out that only very recently Exchange had suddenly been rushed up to 1-5½, whereas if we had the old ratio on our Statute Book it could not have gone over 1-4⅞ or thereabouts as gold would have been imported and tendered to the Currency Office against further issues of currency. Mr. Madon, therefore, thought that keeping the present rate of 2 sh. on the Statute Book prevented the Indian Exchange working automatically and came in the way of the smooth working of India's International payments, and the Indian commercial community wanted our Exchange System to work automatically and to prevent wide fluctuations like those mentioned that made all trade a gamble and tended to the detriment of India's interests as a whole.

The Hon'ble Mr. Phiroze C. Sethna offered some remarks on the present system of loans from the Paper Currency to the Imperial Bank.

In conclusion the President of the Chamber expressed his thanks on behalf of the Committee to the Honourable the Finance Member for the kind interview accorded by him to the Committee and the proceeding of the meeting then terminated.

APPENDIX 70.

INTERVIEW WITH THE HON'BLE MR. CHADWICK, SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

A meeting of the Committee of the Indian Merchants' Chamber was held on Thursday the 5th April 1923 at 12 noon to meet the Honourable Mr. D. T. Chadwick, I.C.S., Secretary, Commerce Department, Government of India when several questions relating to his Department were discussed. Sir Fazulbhoy Currimbhoy, Kt., the President of the Chamber was in the chair.

President's speech.

Sir Fazulbhoy Currimbhoy made the following speech :—

"Mr. Chadwick:—On behalf of my Committee I have the pleasure to offer you a warm welcome on this your first visit to them. The connection of this Chamber with you is an old one and I cannot help recalling here the fact of your having tried your best as Trade Commissioner to be of use to this Chamber. My Committee hope that as Secretary to the Department of Commerce you will show the same willingness to help the Indian commercial community and this Chamber.

One of the subjects on which correspondence is being carried on by my Committee with your Department is the question of the renewal of the Mail contract with the Peninsular & Oriental Steam Navigation Company. The ideal which my Committee have in view and which they put forward in their communication to you dated the 22nd March 1922 is that the Government should run their own mail services between Bombay and Marseilles. My Committee realise, however, that such an ideal is not attainable immediately in view of the present financial condition. It may be necessary there-

fore to continue the present arrangements for some time longer. Even then my Committee strongly urge that the contract with the Peninsular & Oriental Steam Navigation Company should not be renewed for more than five years in order that the country may not be tied to any contract for a longer period than is necessary to build up, if possible, a private indigenous shipping industry or a Government shipping industry to take the place of the non-Indian steamship lines which are entrusted with the work of carrying mails at present. The Indian Mercantile Marine Committee is also sitting now and may be expected to make recommendations to the Government before the end of this year. The recommendations of this Committee may well be expected to affect fundamentally the question of mail services contract though the Government of India for reasons best known to themselves decided that the question of the mail contract between England and India should be kept entirely distinct from the purview of the Mercantile Marine Committee. The explanation they urge, viz. that in the general interests, commercial and otherwise, of India the primary object of the mail contract must be to secure efficient and regular services at cheapest possible cost to India was entirely unsatisfactory. It appears from a letter of the Government of India, Public Works Department, dated 30th October 1922 that the General Post office have undertaken to give the Indian Government an opportunity of expressing their opinion on the tenders when received, but that as the contract would probably cover the conveyance of mails of several other countries besides India it would be granted by the British General Post Office on behalf of the various Postal administrations concerned. My Committee cannot but think that this is an extremely invidious position in which India is placed. It is deplorable that the disposal of such a matter should rest with the British Post Office, from which we cannot naturally expect an unselfish watchfulness of India's interests. The Government of India will in any case, we hope, make it clear to the British Post Office that the contract with the Peninsular & Oriental Steam Navigation Company should not be, so far at least as India is concerned, made for a period of more than five years.

My Committee have been much pleased at the decision of the

Legislative Assembly with regard to the important question of State versus Company management of Railways. Now that this principle so far as the taking over of the East Indian and the Great Indian Peninsula Railways is concerned has been settled by the Legislative Assembly in a manner which meets with the general wishes of the Indian community my Committee are naturally anxious to know what steps Government intend to take to put this scheme into operation and to make its working successful.

Some time back with regard to the question of concessions to commercial travellers, my Committee had an occasion to refer to the Railway Board which referred us to the Indian Railway Conference Association which again referred us to the individual railways concerned, against whose policy we had occasion to protest originally. My Committee have thus been practically driven from pillar to post even with regard to such a question without so far any result being achieved. This offers a typical case of how the public fare at the hands of the present administrations on the basis of Company management. Surely such irresponsible and evasive replies would not be possible under any system of State management.

My Committee were going to enquire of you the truth or otherwise of reports which have appeared in the press regarding the part played by Mr. Leftwich, the Indian Trade Commissioner for East Africa, in the anti-Indian agitation going on there. In the meanwhile they have come to learn Mr. Leftwich has resigned and the Government of India have thought it fit to abolish the office altogether for reasons of retrenchment. In justice to Indian public opinion it is essential that the Government should issue a press communique stating what were the reasons for the resignation tendered by Mr. Leftwich. My Committee are sorry that the Government have thought it fit to employ the policy of retrenchment and close the office altogether in a territory in which Indian interests are very large and growing.

My Committee will like to know if the Government of India have arrived at any decision regarding the constitution of the Tariff Board."

Hon. Mr. Chadwick's reply.

After the Chairman's speech, the Honourable Mr. Chadwick referring to the part played by the British Post Office in settling the Mail Contract which is usually given to the Peninsular and Oriental Steam Navigation Company observed that in representations about this Mail Contract one point seemed to be entirely overlooked. Merely as a business proposition, quite apart from other considerations such as its being part of a bigger contract etc., it was cheaper to make a contract for such special cargo as mails to cover carriage both ways. Theoretically of course, it was possible to split the contract into outward and inward mails but he could not see that that would be economical. If two parties agree to pool their cargo both ways so as to get better terms of freight it would be natural for them to consult together but the contract would be signed and concluded by the one providing the most cargo. In this case in accordance with such ordinary business practice, the final say would be with the British Post Office, because the outward mail from England is much heavier than that outward from India, in fact it is probably twice as large. This is a very material point to keep in mind. Because if an attempt be made to split the contract into an outward and inward one by the party providing the smaller cargo it is certainly going to be much more expensive. Whilst if the contract be continued to cover freight both ways it is only reasonable in ordinary business for the party providing the greater bulk of cargo to move the final signing of the contract. The present contract with the Peninsular and Oriental Steam Navigation Company had been extended temporarily up to the end of January 1926 and therefore the actual question did not arise within the course of the present year.

With regard to the question of concessions to commercial travellers he would endeavour to get light thrown on it, as he did not know what was the point at issue.

Mr Leftwich, Trade Commissioner for East Africa, was under no contract with the Government of India. Some time back he re-

signed on his own accord and stated that the depression in trade was so acute that there was very little for him to do. The Honourable Mr. Chadwick observed that under the circumstances it was the most economical thing to close the office of Trade Commissioner in East Africa.

He referred to the circular letter issued by the League of Nations with regard to the Customs facilities as well as the necessity placed upon the Government of India for curtailing the number of their statistical publications owing to retrenchment and invited the opinion of the Committee with regard to both these matters.

The Honourable Mr. Purshotamdas Thakurdas referred to the prosecution of Mr. Church, late Mining Engineer to the Railway Board and expressed the hope that the case whatever its result would be pushed through to a finish and not withdrawn. The Honourable Mr. Chadwick said that he himself knew no more about prosecution than what had appeared in the Press. It was a matter entirely for the Railway Board which had instituted the proceedings. He could not himself conceive such an action being started unless it was the intention to go through with it. The Honourable Mr. Purshotamdas drew the attention of the Honourable Mr. Chadwick to the fact that neither the G. I. P. nor the B. B. & C. I. Railway had made any attempt towards having advisory Committees.

Mr. Manu Subedar spoke on the necessity of a suitable representation of India at the forthcoming Imperial Economic Conference and referred to the inadvisability for imposing import duties on raw materials such as rubber. Mr. Lalji Naranji pressed for some action being taken by the Government upon the recommendation made by the Chamber some time back with reference to collection of statistics of premia paid in India on Insurances. Mr. N. M. Muzumdar pressed the view of the Committee that the purchase of Stores for the Government of India by the High Commissioner in London should be made in the lowest market and that over and above the publication by the High Commissioner of statements showing the reasons why lower tenders were rejected a statement should be

prepared of all the contracts of over £5,000 placed by him whether in the United Kingdom or outside. He also referred to the huge stocks of stores in the country as pointed out by the Inchcape Committee, and asked the Honourable Member what steps were taken to advertise tenders by the High Commissioner and suggested that such advertisements should be given in the principal papers of foreign countries. Mr. Kaikobad Cowasji Dinshaw pointed out the harrassment caused to British Indian subjects with interests in Aden by requiring them to take out passports for every journey either way between Bombay and Aden.

The Honourable Mr. Chadwick discussed some of these points and took note of those which related to Departments other than his own and promised to send his reply at an early date.

With a vote of thanks to the visitor the meeting terminated.

APPENDIX 71.

COMMITTEE'S INTERVIEW WITH MR. G. L. CORBETT, SECRETARY TO THE GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

The Committee of the Chamber had an interview with Mr. G. L. Corbett, Secretary to the Government of India, Department of Commerce, on Wednesday, the 5th September, 1923, at 1 p.m. in the office of the Chamber to discuss with him some important subjects relating to his department. Mr. Devidas Madhavji Thakersey, President of the Chamber, was in the chair.

The following members were present:—

Hon. Sir Purshotamdas Thakurdas, Mr. Lallubhai Samaldas. Mr. Lalji Naranji. Hon. Mr. Phiroze C. Sethna. Mr. J.B. Petit. Mr. B. F. Madon. Mr. Ishwardas Laxmidas. Mr. S. B. Billimoria. Mr. Motilal Kanji. Mr.

Kekobad C. Dinshaw. Mr. Manu Subedar. Mr. Jamnadas Dwarkadas. Mr. M. M. Amersey.

President's speech.

In opening the proceedings, the President made the following speech :—

"*Mr. Carbett:*—Sir Fazulbhoy Currimbhoy, Kt., having resigned the presidentship of the Chamber only a few days back on account of his ill-health, his duty has fallen on me as a newly elected President. As such I have much pleasure in welcoming you on your first visit as Secretary to the Department of Commerce and in thanking you for giving us an opportunity of discussing with you some important matters.

You may be aware that my Committee have been taking very keen interest in the matter of purchase of stores for India. They have all along tried their best to have their views pressed upon the Government on the point of making such purchases from the most favourable markets whence they can be bought at lowest prices with due regard to qualities and preferably from India. In view of such a general feeling prevailing in the commercial circles not only of this city, but also throughout the country, my Committee cannot but express their amazement and indignation at the attitude adopted by some of the members of Parliament at the time of discussion of Indian Loan Bill to bind India to make her purchases out of such money from Great Britain only. I think my Committee will agree with me when I say that India would rather defer the construction of any railway or other developments than submitting to such a selfish proposal while borrowing from any foreign market as it would be most detrimental to Indian interests. I hope that the Government of India from a commercial point of view will most emphatically communicate this feeling on the point to the Secretary of State.

The special point on which I would like to draw your attention to-day is my Committee's representation to the Government in the matter of exemption of Import duty on stores for Government and

Railway purposes, as complaints have been made on this point by some of our members. Under such a policy, there is a likelihood of great injustice being done to the Indian suppliers, while orders for stores are being placed by Government. The officer in charge finds that it is cheaper to purchase in England than in India to the extent of the amount of duty leviable on such articles for ordinary merchants and importers. My Committee have already dwelt on these points in their representation and I need not go into those details again. Such a concession works as a serious menace to the development of manufacture of such articles in India. The most objectionable feature, therefore, of this concession is that it results into a sort of bounty to such imported foreign articles in competition with indigenous ones. Moreover, it results into an ultimate burden on the general taxpayers, instead of its being borne by the class of people who are to enjoy the benefits of the works. It has also become a great impediment in the way of local merchants in India, who in fact may often be disposed to clear their holdings at prices even below the cost of orders which may have been placed by the purchasing Department. My Committee, therefore wish to impress upon you, the necessity of taking immediate steps by Government for putting a stop to this invidious policy.

My Committee are aware that the Government of India are appealing to the Privy Council against the decision of the Bombay High Court in the matter of duty on stores imported for various railways, but apart from this decision my Committee disapprove also of the practice in vogue, exempting generally all the Government stores from Customs duty.

On one hand, when the Government are entirely exempting duty on all Governments stores, on the other they are collecting heavy charges on the dredging plants imported by the Bombay Port Trust, even for improving the harbour for general navigation purposes. When the Government of India do not exempt such big items imported by bodies for general public purposes, there is no reason why such exemption should be given in the matter of stores imported directly by Government or on account of railways. Such a procedure is likely

to create the unfortunate impression amongst commercial circles that no exemption is given to those articles which cannot be manufactured in India at present nor within the next few years but that such an exemption applies to all those articles which are either being manufactured or likely to be manufactured, in this country, in the near future. It is imperative, therefore, that such an unfortunate impression should be avoided and that the Government should once for all remove exemption of import duty on all imported articles whether big or small for all public departments.

I now come to the other matter for today's discussion. Some two years back my Committee wrote to your Department suggesting that it should be enjoined on all Indian and foreign Insurance Companies to submit the amount of annual premium income collected in India from Fire, Marine, and other insurance and that foreign Life Insurance Companies doing business in this country should be required to state separately their Indian pemium income as distinct from the total premium income. To this a reply was received from the Government that there was much to be said for the suggestions which would be carefully considered when amendment of the Indian Insurance Law was taken up. Later on my Committee had an interview with Mr. Lindsay, the then Secretary of the Department of Commerce, who informed them that the Industrial Assurance Bill was only just introduced in the House of Lords and might considerably be modified, before it was passed. He added that all the points of my Committee were noted for consideration when the Indian Act came up for an amendment. There has been no further communication after this from the Government of India and my Committee are naturally anxious that the question of adopting the suggestions, proposed by them, should be taken up at once.

As a last matter of today's discussion my Committee are strongly of opinion that in view of the Kenya decision, which is considered in this country as deliberate insult flung at the self-respect of the Indian people, India should refuse to take part in the forthcoming British Empire Exhibition. My Committee are aware that large sums have been spent already, but this should not be taken into

account in considering the ways and means to be adopted to retrieve the self-respect of India and to assert her rights as a member of the British Commonwealth. My Committee therefore, suggest with all the strength they can command that the Government of India and all the Povincial Governments should forthwith declare that India will take no further part in the British Empire Exhibition. I need not remind you that some self-governing Colonies threatened a similar withdrawal on grounds which were of far less importance than the reasons on which the demand is now universally being put forward for India's withdrawal from Exhibition. The Exhibition authorities and even the Imperial Government thought it fit to agree to these demands of the Colonies at once and to make necessary changes in the methods and procedure adopted by the Exhibition authorities to satisfy their requirements. If the Imperial Government consider India's membership as of any importance, they should forthwith rescind the unfair and unjust decision announced by them recently. My Committee hope that the Government of India will show their earnestness on this question by supporting their demands.

Mr. Corbett's reply.

Mr. Corbett in reply said :—

" Mr. President and Gentlemen,

I thank you very much for the kind welcome which you have given me on this my first official visit to you ; and I greatly regret the cause which has deprived you of the services of your late President, Sir Fazulbhoy Currimbhoy.

The first matter which you have asked me to discuss, is the proposal made by certain members of Parliament during the recent debate on the Indian Loan Bill, that it should be a condition of the loan that part of the proceeds–75 per cent I think it was–should be spent in England. In judging this proposal, I think we ought to bear in mind present conditions in England, the anxiety which is being caused by widespread and continued unemployment, and the efforts made to relieve it. I was reading the figure the other day ; I think

it was £400 million which had been spent on unemployment relief since the Armistice. Then there was the Trade Facilities Act, which authorised loans on easy terms, provided that the money was spent in such a way as to relieve unemployment in England. It was an easy transition to suggest a similar provision for the Indian loan. It was suggested by members of the Opposition, who no doubt thought they might make some political capital out of it. It may not have been a very wise suggestion, but it was, I think, intelligible. You can see their line of argument. "Why should India take away our money and spend it in other countries, when there is so much unemployment in England? No other country would allow it," and so on. You can understand it. In any case, as you know the proposal was rejected by the British Government. And so far as we are concerned, the Government of India adhere to the policy contained in the instructions which were issued to the High Commissioner in December 1921, with which you are familiar.

The next matter which you wish to discuss is the exemption of Government stores from import duty; or, in other words, the repeal of the proviso to Section 20 of the Sea Customs Act. Well, I think I may say that the Government of India fully appreciate all your arguments in favour of this course, which was also, as you know recommended by the Fiscal Commission. You will understand, however, that the proposal involves considerable financial readjustments, and possibly also some financial loss, in which Local Governments, as well as the Government of India, are concerned. It takes some time to determine the exact financial effect of the proposal, and I hope you will give us a little longer to work out our conclusions

The next point is the amendment of our Insurance Law, about which I must say, you have been very patient. As you say, we have been waiting for the passage of the New English Act. I dare say you know that this Act was finally passed last June, and we received a copy of it toward the end of July. The Act is now being examined by the Government Actuary, Mr. Meikle. He tells me that it is rather a complicated affair, and will require to be simplified for adap-

tation to Indian conditions. But we hope that the introduction of legislation will not be long delayed.

The last subject for discussion touches a matter with which the Commerce Department is no longer directly concerned. We are concerned only with the *commercial* aspect of the Exhibition, in which perhaps you are now less interested. You know that the larger question of Indians Overseas is no longer dealt with in the Commerce Department. I will however, carry your views to the Government of India.

After some discussion on several points arising out of Mr. Corbett's reply and after the President had thanked Mr. Corbett for giving the Committee an interview, the proceedings terminated.

APPENDIX 72.

Interview with the Hon'ble Mr. A. C Chatterjee, Member for Department of Industries and Labour, Government of India.

The Committee of the Chamber had an interview with the Hon'ble Mr. A. C. Chatterjee, member of the Department of Industries and Labour, Government of India on 30th November 1923, when the Hon'ble Mr. Pheroze. C. Sethna, Vice-President of the Chamber was in the chair.

The Hon'ble Mr. Sethna in opening the proceedings made the following speech :—

Hon. Mr. Sethna's Speech.

Sir, —I have much pleasure, on behalf of my Committee, to offer to you a warm welcome on this your first visit to us after your elevation to a seat on the Executive Council of H. E. the Viceroy as the Honourable Member-in-charge for Industries and Labour. Your

portfolio is one with which the commercial and industrial community are intimately concerned and my Committee are confident that they can look to you for satisfactory solution of matters they may have to bring up before you from time to time.

Taking advantage of your presence amongst us today we take leave to refer at some length to some important points in regard to which we have had correspondence with your Department. The question of the policy of the Government of India with regard to the purchase of stores has been engaging the attention of my Committee for quite a long time, and members of Government must wonder at the persistency displayed by my Committee in placing their views with regard to the same either in their written representations to Government or in their interviews with Government officials. For all this persistency, there is the very great justification that this question plays a fundamental part not only in the industrial development of the country but also in the matter of India desiring to become the mistress in her own house. Further we contend that all the savings by cuts in the Budget of a few thousands here or a few lacs there by the Central Legislature are as mere nothing when compared to the savings of perhaps lacs upon lacs or even crores of rupees that could be effected by the purchase of stores in the proper manner it should be made. What my Committee have been urging in all their various representations and interviews has in effect amounted to this : that a tinkering here and there with the rules and regulations regarding the purchase of stores will not solve the problem. If Government are at all in earnest about it a radical alteration in the policy at present pursued is urgently necessary. Even in the matter of rules Government have disregarded, as my Committee pointed out so far back as September 1921, the conclusions of the majority of the Stores Purchase Committee amongst whom were representatives of such important purchasing and consuming departments as the Railways, the Army and the Public Works Departments. Government chose to adopt the report of the minority consisting of the Director General of Stores and a subordinate officer of the Munitions Board. These new rules embodied most of the re-actionary features of the old

rules and my Committee were obliged to regard them as entirely opposed to the interests of this country and therefore they advised their summary rejection. Even then my Committee suggested that all purchase of stores should only be made in India and all tenders must be called for in Indian currency, meaning thereby that there should be no Stores Department in London but only a subordinate inspecting Agency provided with the necessary technical staff. The view held by my Committee I may say found support from Sir Campbell Rhodes in his minute to the Railway Industries Committee. Curiously enough Government in their reply observed that they were not in a position to impose such an arrangement on the Provincial Governments. My Committee regret that they cannot accept this statement of inability on the part of the Government of India as in any way reflecting the real situation, for surely the Government of India, if not technically, have atleast morally the authority to impress their policy upon the Provincial Governments but what is more, a policy with regard to the purchase of stores as suggested by my Committee ought certainly in the best interests of the country to find favour with the Provincial Governments and their legislatures. The Government of India in their letter put forward the usual pleas for postponement of carrying out of such a policy *viz.*, there was not in existence an experienced, expert and properly staffed agency in India and that the financial conditions of the country precluded the expansion of the Department to the extent that would be necessary. With regard to the first plea Government cannot be unaware, as representatives of my Committee put it to the Stores Purchase Committee and as my Committee have said time after time, that stores worth crores of rupees are purchased annually by the representatives of commercial and industrial firms in this country and that they do not find any difficulty on the score of proper inspection, as is alleged by the Government of India. Inspection work can safely be assigned to the various mercantile bodies as suggested by my Committee in their letter of 6th September 1923. As to the financial aspect of the proposal, my Committee cannot but feel, though they have not the advantage of inside information, that the course suggested by them must ultimately prove cheaper and better than the policy followed by Government at present. My Com-

mittee are definitely of opinion that unless the policy suggested by them and which policy is supported even by some of the European Chambers of Commerce in the country is put into effect immediately there will be no appreciable change in the existing situation and there will remain the same heart-burning and the same disaffection as exist at present with regard to the indifference supposed or real of the Government of India on this all-important question. My Committee cannot subscribe to the view as is represented that there are insuperable obstacles in the way of such a policy being put into active operation immediately and believe that if the Government of India are actuated by an honest desire to meet the wishes of the Indian public they could arrange without much difficulty to have a Stores Purchasing Department established in this country with power to invite tenders in India and in Indian currency. The High Commissioner for India may be continued in London and allowed to act as a sort of a post office for purchases and as an official to represent India at ceremonials which is practically the kind of work done by the High Commissioners for the self-governing Colonies and Dominions in London.

My Committee have drawn the attention of your Department on several occasions to the different items appearing in the half-yearly statements issued by the High Commissioner detailing cases in which the lowest tender has not been accepted by the India Office Stores Department. As my Committee pointed out in their letter of 5th May 1923, articles like fish bolts and nuts, dog spikes, lamps and buntings, wrought iron tubes, rubber hose, etc., etc, are being purchased in London. They expressed their surprise that hexagonal nuts worth Rs. 700, paints worth Rs. 1,000, cotton belting worth Rs. 300, etc., should have been purchased six thousand miles away from our country in spite of the fact that Bombay, Calcutta, Karachi and other markets are known to have large stocks of these. Your Department observed as regards these instances quoted by my Committee that we had omitted to establish the fact that these articles could have been obtained as cheaply from the Indian market as from the agency of Stores Department in London. My Committee replied

that the onus certainly lay on the purchasing officers here to show that they did try to get the supply through importing houses in India by tender and failed. Let Government once make it clear that they will invite tenders for all supplies in India and in rupees and both British and foreign suppliers and manufacturers will see to it in their own interests that this market is provided with a cheap and efficient supply of what they have to sell. My Committee pointed out further instances wherein the High Commissioner had placed orders in the United Kingdom for certain articles of indigenous manufacture, like cement, water-bottles, etc. Surely the Government of India need not be told by my Committee that there are now several cement manufacturing concerns in this country and they make cement of equally good quality as the best imported cement and their production is sufficient to meet the local demands. It is inconceivable that even such articles should be purchased not in India but in London. Water-bottles also were manufactured in India during the war and notwithstanding, 20 percent extra is paid to the British manufacturer over the quotation of a foreign tenderer in orders worth more than £8,000. My Committee are surprised that the Government of India should in their reply urge ignorance on the part of an individual purchasing officer and the newness of the organisation of the Indian Stores Department in extenuation of their lapse with regard to the purchase of such Stores. The Indian Stores Department, my Committee feel, is built upon the ashes of the Intelligence Department of the Munitions Board and surely Government do not want to imply that the Munitions Board did not do anything in the matter of collecting information or in the matter of disseminating intelligence in such a critical period as the country passed through then. If all that spade work had been done by the Indian Munitions Board the Indian Stores Department cannot be said to have started with a clean slate and individual officers or Departments of Government cannot plead ignorance of the available sources of supplies in this country. It was pointed out in the letter from Government of 27th June 1923 that the Indian Stores Department was started with effect from 1st January 1922. My Committee venture to point out that as a matter of fact such a Department was started

in 1917 when the Munitions Board was started as by whatever name you call it the Stores Department has presumably nearly taken up the work done by the Munitions Board during the time of the war and some time after. Government seem to refer with some pride to the achievements of the newly created Stores Department in their letter of 27th June 1923. The scrutiny of indents sent to the High Commissioner for India which is put forward as one of the achievements of the Stores Department was being done in the past by the Munitions Board and it is a grievance of the commercial community that the Department has not been able to develop this process to such an extent as to eliminate the danger of orders being placed in the United Kingdom for articles which are obtainable in this country. The Government of India, however, felicitate the Department on its scrutiny of indents sent to the High Commissioner for India and bringing to the notice of indenting officers suitable sources of supplies in this country. My Committee wonder how long this process of getting information and circulating the same to Government officials will go on when the industrial development of the country is waiting for adequate nourishment and help. I apologise for addressing you at this length but I am obliged to do so as my Committee believe that it is one of the most important questions to which the attention of a Member of the Government of India might well be drawn.

We suggested to you some time back, in the matter of the nomination of the Employers' Delegate to the International Labour Conference that only an Indian should be nominated and you were good enough to reply that our suggestion would be taken into consideration at the time of the next nomination. At these International Conferences every country is represented, as you must be aware, by its own nationals, whether in the group of Government representatives or Employers' Delegates or Employees' delegates. It is therefore derogatory to the self-respect of India that she alone among all the members of such an important International organisation should be represented on the Conference with regard to Employers' delegation by people who are not nationals, except in the instance of Mr. N. B. Saklatvala, specially when it is remem-

bered that there can be found Indian employers of note and eminence, who can attend such Conferences on behalf of Indian employers. My Committee trust, that their suggestion will be put into effect at the time of the next Conference without fail.

Before I conclude, my Committee have to draw your attention to a somewhat delicate matter, and that is in regard to the presence of yourself and two of your colleagues of the Viceroy's Council at the coming conference of Associated Chambers of Commerce. My Committee have always recognised and appreciated the interchange of views with Members of the Government of India and considered that such interviews pave the way for a clearer understanding between the commercial community and the Government and for a reasonable solution of important questions. My Committee cannot therefore have any objection to Members of the Governmet of India meeting Committees of Chambers of Commerce and Commercial Associations where no resolutions are passed but certain questions are merely discussed. The case of a Conference of a particular section of trade where resolutions are to be moved and which are diametrically opposed to the interests of perhaps a larger section of the commercial community stands on quite a different footing. You will have noticed the different telegrams of protest sent by the Calicut Merchants', Alleppey Merchants', Cochin Merchants' and the Marwari Associations, with regard to this very subject. My Committee think that it would allay anxiety on the part of the Indian commercial community if it were to be made clear that Members of the Government of India will be present at the forthcoming Conference of Associated Chambers of Commerce only as visitors and their presence is not to be construed as their being in sympathy with the resolutions that may be passed at that Conference. My Committee have seen a telegram purporting to come from Delhi and published in the "Statesman" attempting to give some explanation with regard to this subject. We cannot make out if this is an official communique or an ordinary press- telegram.

With these words I have again to convey to you the thanks of my Committee for the trouble you have taken in coming to meet us

and to discuss with us the questions we have placed before you in the course of my remarks.

Hon'ble Mr. Chatterjee's Reply.

Mr. Chatterjee in reply thanked Mr. Sothna and the members of the Committee of the Chamber for their very kind welcome to him. He echoed the view of Mr. Sethna that it was only by a full and frank discussion of the problems that interested the Mercantile and Industrial Associations as well as the Government that they could arrive at a satisfactory conclusion. For his own part, Mr. Chatterjee welcomed all opportunities of such discussions and he hoped that he would be able to meet the Chamber on many occasions in future, and that he could always count on their cordial co-operation in the common efforts for the industrial advancement of the country.

Mr. Chatterjee expressed his gratitude to the Chamber for the interest displayed by them in the Stores Purchase policy of Government. He said that far from the Government of India resenting this display of interest, they welcomed it for the subject was one in which the Government of India themselves were very keenly interested. As a proof of this, Mr. Chatterjee stated that this was one of the very few subjects on which the Government of India did not accept the unanimous recommendations of the Retrenchment Committee but decided to proceed with the development of the Indian Stores Department as their financial circumstances permitted.

Turning to the various points referred to by the Hon'ble Mr. Sethna in his speech, Mr. Chatterjee remarked that there had been some misapprehension with regard to the attitude of the Government on the question of rupee tenders. The Government of India had not stated in their letter to the Indian Merchants' Chamber on the subject (dated the 27th June 1923) that there were *insuperable* obstacles in the way of the adoption of this policy. On the other hand, the Government of India had admitted that the principle had many advantages. They had pointed out the practical difficulties in giving effect to it at the present time. They had at the same time stated that they would bear the matter in mind and reconsider it when

conditions were more favourable to its adoption. As a matter of fact, Mr. Chatterjee stated, in some cases, such as the purchase of paper, a comparison was actually made between quotations in India and quotations in England after converting the latter into a rupee basis. Mr. Chatterjee then pointed out that in saying that the Government of India could not impose any arrangements of this nature on provincial Governments, they were merely referring to the actual constitutional position and they did not intend to suggest that if they accepted the policy, they could not commend it to provincial Governments.

With regard to inspection, Mr. Chatterjee emphasized the difference between the commercial purchases, to which a reference had been made by Mr. Sethna, and the bulk of purchases on behalf of Government. For instance, a very large proportion of Government purchases was for the Railways where any defect in the quality of the goods might endanger the lives and safety of millions of railway passengers. He reminded the Chamber that, as a matter of fact, even for the purchases that were made by Government now in India, they had to establish a Metallurgical Inspection Department at Jamshedpur and a Test House at Calcutta. When funds permitted the Government of India hoped to establish another Test House in Bombay.

On the question of financial difficulties, Mr. Chatterjee gave a brief history of the growth of the Indian Stores Department. He pointed out how the demand made on behalf of the Department for 1922-23 had been reduced by 50 per cent by the Legislative Assembly. Even the amount that had been granted by the Assembly could not be spent on account of the appointment of the Retrenchment Committee and the general policy adopted in deference to the wishes of the Legislature of stopping all new expenditure until the Retrenchment Committee had completed their review. As is well known, the Retrenchment Committee suggested that the Department should mark time but the Government of India came to the conclusion after careful deliberation that in the interest of economy in purchases as well as of the development of the country, it was necessary to extend

the operations of the Department as circumstances permitted. The Department was therefore just beginning its work and time should be given to it for extension and development before any unfavourable criticism was made. Mr. Chatterjee denied that the Indian Stores Department was built upon the ashes of the Intelligence Department of the Munitions Board. He pointed out how the talent gathered together by the Munitions Board scattered soon after the war was over and how there had been a lapse of some years before the Indian Store Department could be organised. Moreover, war-time experience was not a certain guide with regard either to intelligence or to actual purchases in normal peace time. Mr. Chatterjee illustrated his point by reference to the complaint made regarding the purchase of cement and water-bottles in England. He explained that the cement referred to was meant for the Madras Marine Department and owing to the nature of the climate had to be supplied in casks lined with waterproof paper. The Indian Stores Department has been trying to interest cement manufacturers in India in the manufacture of barrels for this purpose and until this was done it would continue to be necessary to obtain cement, for use in climates where rain was frequent, from abroad and secured in barrels.

With regard to water-bottles, Mr. Chatterjee explained that owing to the varied contents of the bottles such as tea, soup, coffee, milk, and chlorinated water they had to be of enamelled iron with a felt covering. Such bottles are not made in India now although the Indian Stores Department had been trying to interest manufacturer in the matter. The bottles that were made in India during the war time were affected chemically by the contents and although they had to be used during the war, they would not be accepted by consumers in peace time.

Mr. Chatterjee then explained that owing to the slow development of the Indian Stores Department so far the scrutinising of indents prior to their being sent home had been confined to textile purchases. He mentioned by reference to the recently-published An-

nual Report of the Indian Stores Department that the total value of the textile purchases through the Indian Stores Department had been over fifty-nine lakhs in the period from January to March, 1922 and nearly one crore and sixty-five lakhs of rupees during the financial year of 1922-23. Of the total value of the purchases made in the market during these two periods, no less than 76 per cent and 92 per cent. respectively were goods manufactured in India. On the whole, there can be no doubt that the effect of the operations of the Department so for as textile goods were concerned, has been to divert to Indian manufacturers a considerable volume of business which had previously gone abroad. This result was obtained even though purchases were made more cheaply than would have been the case had non-Indian markets been resorted to.

Mr. Chatterjee said that it is only when the Stores Department was able to undertake for the large consuming Departments the purchase of other classes of articles, such as engineering stores and hardware that similar results would be achieved, in those classes of goods.

Mr. Chatterjee emphasised the point that the Stores Department had to justify itself to provincial Governments, to other Departments of India and to the Legislature. It was gradually doing this. Slow progress has been a handicap in many ways; but it had one advantage, namely that it has been possible to bestow sufficient care in selecting a personnel which would combine efficiency with integrity. He hoped that Government would be able further to develop the Department in future and to entrust to it the purchase of various classes of goods on behalf of large consuming Departments.

Mr. Chatterjee trusted that the Chamber and other mercantile and industrial bodies would continue to evince their interest in the matter and thus help Government in the furtherance of their policy.

In reply to the various questions asked by members of the Committee, Mr. Chatterjee stated that the Government of India had under consideration the question of the payment of import duty on

Government stores. As regards purchases in England he said that the present High Commissioner, Mr. D. M. Dalal, was devoting a great deal of personal attention to this matter and the Chamber could rest assured that the interests of India were safe in the hands of Mr. Dalal.

On the question of the selection of delegates for the International Labour Conference, Mr. Chatterjee did not admit that any of the delegates sent hitherto could be described as foreigners. In the matter of selection, Government were bound by the provisions of the Treaty which enjoined the selection of persons after consultation with representatives of Associations of employers and workers. The suggestion made by the Chamber would certainly receive consideration but Mr. Chatterjee thought that Government would be in a very much better position to make their nomination if an all-India Federation of Employers could be organised for this purpose.

On the question raised regarding Mr. Chatterjee's proposed attendance at the forthcoming meetings of the Associated Chambers of Commerce of India and Ceylon, Mr. Chatterjee stated that he did not agree with the Hon'ble Mr. Sethna that there was any real distinction between his attendance at meetings of committees of Chambers and his attendance as an invited guest at the meetings of the Associated Chambers. He was going there as a guest and would probably speak only if he was allowed to do so and only in order to clear misapprehensions or to explain Government policy. His attendance could in no way be interpreted as expressing the sympathy or otherwise of Government with any views put forward in resolutions or during the debate. Mr. Chatterjee spoke for himself but he believed that his colleagues shared his views in this respect.

Mr. Chatterjee in conclusion again thanked the Chairman and the members of the Committee for the opportunity they had given him to meet them and to explain Government policy and for the patient hearing they had accorded to him.

(J) GENERAL.

APPENDIX 73.

BOMBAY DEVELOPMENT DEPARTMENT.

No. T. 120-83 of 5th February, 1923.

From Chamber to the Hon. Sir Chimanlal Setalvad, General Member, Government of Bombay.

I am directed by my Committee to invite your attention to the accompanying correspondence that has passed between Mr. Lalji Naranji, the representative of the Chamber on the Advisory Committee attached to the Development Department, and Sir Lawless Hepper, the Director of the Department, in connection with which my Committee beg to submit the following for your serious consideration :—

Government are aware that in the year 1921 under the Chairmanship of Mr. Lalji Naranji, my Committee took up the question of the Bombay Development scheme in general, and a lengthy correspondence with the Development Department ensued regarding several matters connected with its activities. In the course of that correspondence my Committee expressly stated that the suggestions and views of the present Advisory Committee were mostly disregarded and that if, at all, the Committee was to serve an useful public purpose it should be vested with executive powers. To this suggestion of my Committee the Development Department in their letter No. S. A. 2781, dated 4th July 1921 replied that

"Government in accordance with their statement to the Legislative Council are glad to avail themselves of the advice of an Advisory Committee in this matter, but they regret they cannot agree to hand over to the Advisory Committee (there is no Development Board) or any similar Committee the control of the Government funds being expended on the Development Scheme, or the executive authority in regard to the scheme which is now exercised by Government themselves or by the Directorate of Development acting under their control."

The Committee of the Chamber thereafter waited upon His Excellency the Governor of Bombay at an interview held at the Secretariat on Tuesday, 9th August 1921, when various questions relating to the Department were discussed. During the course of his speech His Excellency said

"* * * . Now we have provided, and as I think amply, that if one public body of repute like your Chamber has cause for doubt or grievance of this kind it can by drawing Government's attention to it, bring Government into close consultation with it, and that Government can supply it with the fullest facts on the situation."

His Excellency further observed

"And therefore on this matter I would ask you to take my advice and leave matters as they are for the present. If in a year or a year and a half you find this system faulty and that it offers you too little influence I will at any rate reconsider the matter. But I am perfectly sure you will find Sir Lawless Hepper grateful for your advice and assistance and willing to give all fairminded and respectable bodies having public confidence like your Chamber the fullest information possible and to withhold nothing of the main issues of the question."

His Excellency also assured my Committee that any further information on any of the points dealt with by His Excellency which they desired to have would be furnished by the Honourable Member-in-Charge of the Department at a further interview he would give. My Committee gladly availed themselves of the opportunity so kindly offered by His Excellency and had an interview with you on Friday, 23rd September 1921. And the subject of converting the Advisory Committee into an Executive Committee was again discussed. My Committee need not refer at any length to the assurance that was given to them during the course of these interviews to the effect that the work of the Department would be carried on in an absolutely open manner and that my Committee would be furnished with all the information they desired relating to the Department.

My Committee are constrained to say that the Director's reply to the questions put by Mr. Lalji Naranji, the Chamber's representative, has taken away the confidence and trust created as a result of the interviews which they had with His Excellency and yourself. My Committee are surprised at the curt reply of the Director disposing of important questions raised by the Chamber's representative by a brief reference to the Government Order dated 29th January 1921. The Director was himself present at the interviews and my Committee are all the more surprised at the attitude he has displayed. My Committee will be glad, therefore, if Government will inform them of their views on the subject.

My Committee need not add that the refusal of the Director to give information to which a public institution like this Chamber and more still the public themselves are entitled can only have the effect of shaking their confidence in the working of a public Department disbursing public moneys.

My Committee feel that no useful purpose could possibly be served by any representative of this Chamber serving on such an Advisory Committee, if information of this character is withheld from him.

Dated 5th January, 1923.

From Mr. Lalji Naranji to the Secretary, Development Department, Bombay.

At the next meeting of the Advisory Committee to be held on the 9th instant I shall be obliged if you will kindly give information on the following points:—

1. How much money has been spent on experimental work on Worli Chawl constructions ?

2. Whether the S. E. has had really any training and experience to undetake work of such magnitude before he was given charge of the scheme ?

3. Was it at all necessary to appoint Superintending Engineer, No. 4 Project Division, when the work of the division could have been managed by another man drawn from the other division ?

4. Was it not possible to save a sum of about Rs. 80,000 on 16 floor centerings for the Chawls at Worli estate if the work had been given on contract at a rate which would have included the rate for centerings. Whether any efforts have been made in this direction now ?

5. Is it a fact that Superintending Engineer, No. 1 project Division, is generally in the habit of using intemperate language towards his staff and others on the works and whether he used abusive language towards Mr. Odey Singh, one of the contractors and his contract was cancelled and subsequently placed with Major Gammon and Co. ?

6. Is it true that Superintending Engineer, No. 1 project Division, permitted Major Gammon & Company to make their own designs and increased the tender rates when

the tenders had been called for and accepted on the old designs and at much lower rates and whether any test was applied to the old designs before they were rejected in favour of Major Gammon and Co's designs, while some of the chawls were being built on the old designs. What has been the loss to the Government owing to this ?

7. Is it a fact that Superintending Engineers, Nos. 1 & 2 project Divisions, are given accommodation on nominal rents whereas the Ex Engineers and low salaried officers and other assistants have to arrange their own accommodation at high rentals and what action is proposed to be taken by the Director on their behalf ?

8. Is it a fact that Superintending Engineer, No. 1 project Division, has permitted contracts to be given to one of his Ex. Engineers in his division ? If so, is this procedure in accordance with Public Works Department Rules ?

Dated 5th January, 1923.

From Mr. Lalji Naranji to the Secretary, Development Department, Bombay.

I shall feel obliged if you will kindly place the following information on the table at the next meeting:—

1. What stores have been purchased through the India Office and what stores are purchased direct by the Development Department ?

2. Why recently no such information is being placed before the Committee ? Are no purchases made from abroad ?

Dated the 8th January, 1923.

From Sir Lawless Hepper, Kt., Director of Development, to Mr. Lalji Naranji.

Subject:—Supply of certain information in connection with the working of the Development Department.

With reference to your two letters dated 5th instant asking for certain information to be supplied at the next meeting of the Advisory Committee, I beg to refer you to Government Order No. S. A. 394, dated 29th January 1921, constituting the Advisory Committees.

2. In paragraph 3 thereof it is laid down that "the functions of the Committees should be to advise the Director of Development on questions referred by him to the Committees and to put forward suggestions on any matters relating to the general development of Bombay and of the Suburban Area, respectively."

3. The questions you ask cannot be said to be suggestions relating to the general development of Bombay and I am unable therefore to include them in the Agenda.

No. T.-463 of 9th May 1923.

D O. letter from Sir Fazulbhoy Currimbhoy, President of the Chamber to Sir Chimanlal Setalvad, General Member, Government of Bombay,

It appears a letter was addressed to you by the Indian Merchants' Chamber on the 5th February 1923. No reply to this has been received as yet and my Committee are naturally anxious to know what your views are with regard to the subject matter of the correspondence. Absence of any reply from you cannot be due to any lack of response on your part to representations from this Chamber for I know that you have been a consistent friend of ours. I hope you will now expedite your reply.

Dated 19th May 1923.

Sir Chimanlal's reply to Sir Fazulbhoy.

I have received your letter of the 9th of May reminding me of the letter of the Indian Merchants' Chamber of the 5th of February. Will you kindly convey to the Chamber my regret for not sending earlier a reply to their letter. As you say in your letter, this omission has not been due to any lack of consideration on my part to communications from the Chamber whose legitimate claims I have always striven to support. I am enquiring into the matter and hope to send an early reply.

No. T.-541 of 30th May 1923.

D-O letter from Sir Fazulbhoy Currimbhoy, President of the Chamber to Sir Chimalal Setalvad, General Member, Government of Bombay.

I have received your letter of the 19th instant and am sorry to note that even to such a well-reasoned representation sent by my Committee to you so long back as the 5th February 1923 no reply should be forthcoming even after four months. My Committee have felt this indifference to their representation very much. The representation concerns questions with regard to the Development Department which my Committee considered important, as they affected the status of the Advisory Committee to the Development Department and the representative of the Chamber sitting on that Committee. My Committee have been, from the very beginning of the creation of the Development Department, insisting that the Advisory Committee to be useful must be invested with controlling powers also. Even at the interview of my Committee with yourself on the 23rd September 1921 the question of the constitution of the Advisory Committee of the Development Department was considered. The reply given by the Director of the Development Department to the questions put by Mr. Lalji Naranji, the Chamber's representative,

shows clearly as to how the Advisory Committee is not only without any controlling powers but is also not to have any information on questions of vital interest though my Committee were assured by His Excellency that " Sir Lawless Hepper would be willing to give the fullest information possible and to withhold nothing of the main issues of the question from the fair-minded and respectable bodies having public confidence like this Chamber." My Committee feel that it is no use having their representative on an Advisory Committee of this nature, the method of working which is quite against self-respect. They will be obliged to withdraw their representative from the Advisory Board if no satisfactory reply is received at an early date.

You will kindly therefore let me have your reply as soon as possible with regard to the question set forward by my Committee in their original representation.

No. S. A. 959 of 21st June 1923.

From the Government of Bombay, Development Department to the Chairman of the Chamber,

Subject :—Supply of certain information asked for by the representative of the Indian Merchants' Chamber on the Advisory Committee to the Development Directorate.

I am directed by His Excellency the Governor in Council to refer to your letter dated the 30th May 1923, to the address of Sir Chimanlal H. Setalvad, Kt., LL. D., on the subject noted above, and state that the Governor in Council is fully alive to the advantages of having a representative of the Indian Merchants' Chamber upon the Advisory Committee of the Development Directorate and has no intention of modifying in any way the pledge given to the Chamber in August 1921, *viz.*, "to withhold from it nothing of the main issues of the question."

2. At the same time, I am to point out that it has been defi-

nitely decided that the functions of the Advisory Committee are "to put forward questions relating to the general development of Bombay and the Suburban Area". In the opinion of Government, these orders must clearly be interpreted as referring to and including all such matters as layouts, position and extent of schemes, financial prospects, routes for new roads, designs for chawls, and generally all questions regarding what steps should be taken to attain the objects for which the Development Department was constituted and regarding the time, the order, and the manner in which it is economically advisable to carry out those steps. His Excellency the Governor in Council feels sure that your Chamber will agree in this interpretation of the functions of the Advisory Committee and that it is neither possible nor advisable to extend their scope so as to cover matters relating to the internal working of the Directorate and its purely executive administration.

3. The questions asked by the Chamber's representative relate to :—

(1) the purchase of stores: in regard to which it must be well known to your Chamber that the Department in common with other Government Departments is bound to comply with the Stores Purchase Rules for the time being in force;

and (2) details of contracts and the appointments of Engineers, their behaviour, their housing, and other matters of departmental administration.

4. In view of what has been said above, the Governor in Council feels sure that the Indian Merchants' Chamber will agree that the machinery of the Advisory Committee should not be used for the purpose of eliciting such information, and that so to use it is a misdirection of the really valuable functions which it was intended to fulfil and has fulfilled in the past.

No. T.-721 of 10th July 1923.

From Chamber to the Government of Bombay, Development Department.

I am directed by the Committee of the Indian Merchants' Chamber to acknowledge your letter No. S. A. 959, dated the 21st June 1923. I am to point out that the letter under acknowledgement is not a reply to our letter, dated 30th May 1923, which was only a reminder to the Honourable the Member in Charge of our previous letter which remained unanswered for more then three months. It was a reply to our letter No. T. 120/83, dated the 5th February 1923. I am further directed to indicate that that letter of ours still remains unreplied in its main issues in so far as none of the questions of our representative has still been officially answered.

With regard to paragraph 2, I am to state that the constitution of the Advisory Committee as described therein was within the knowledge of my Committee and after carefully considering your letter they still think that the questions about which they complained in their letter dated the 5th February 1923 were legitimate and within the defined functions of the Advisory Committee. My Committee are convinced that the action of their representative in asking the questions, which he put, was not only justified, but was an act of public duty which merited at the hands of the Department and at the hands of the Government better response than what has come forward. My Committee respectfully differ from His Excellency the Governor in Council as to the classification of the questions and have no option but reiterate their respectful but emphatic protest against the refusal by Government to reply to any of the questions referred to in my letter of the 5th February last.

So far as the future is concerned, my Committee have read the last paragraph of the letter under reply with great regret. If the machinery of that Advisory Committee is not to be used for eliciting information without which it is not possible for a businessman to take a whole and connected view of the situation, my Committee

strongly feel that the Advisory Committee becomes valueless. The Government in the amplitude of their power can, if they please, do what they like, as they have done in the past, but the maintenance of a body for the object of associating the public with the work of Development with its powers crippled even beyond the original assurances might mislead the public into the belief that the affairs of the Department are being conducted with the knowledge and under the guidance of the Advisory Committee, which is certainly not the case. My Committee keenly feel that no useful purpose can be served by their representative serving on such an Advisory Committee and think that it may become difficult for him to attend meetings of that body until atleast such of the questions as fall in the opinion of the Governor in Council within the scope of the Advisory Commitee have been adequately answered and until the functions of the Advisory Committee are restored to what they were understood by the public and my Committee originally. My Committee regret that the Government should have thought it fit to criticise the action of our representative in the performance of his duties. Our main grievance is not merely that the information is still being withheld but the principle involved in it. It is the apprehension of my Committee that after this disregard by the Government of the value of public opinion as expressed through this Chamber in the handling of public affairs of such magnitude it will not be surprising if public confidence in the working of the Development Department both as to its efficiency and economy were to decline. This serious disservice to the cause of the Government is not in the least the result, my Committee feel, of any activities on their part.

I am to express regret of my Committee that they should be forced to take a somewhat different view of the situation and should remain still dissatisfied and they request a re-examination of the case by His Excellency who, they hope, will with his long experience of business agree with them in the end.

No. 3 S. A. of 4th September 1923.

From the Government of Bombay, Development Department to Chamber.

Subject:—Supply of certain information asked for by the representative of the Indian Merchants' Chamber on the Advisory Committee to the Development Directorate.

In reply to your letter no T. 721, dated 10th July 1923, I am directed to remark that the complaint made in your letter of 5th February 1923 was that the Director of Development had refused to admit, on the agenda of the Advisory Committee meeting, certain questions put forward by the representative of your Chamber. That matter was dealt with in my letter No. S. A. 959, dated 21st June 1923, in which it was pointed out that the functions of the Advisory Committee were "to put forward questions relating to the general development of Bombay and the Suburban Area," and in which you were informed of the decision of the Governor in Council that it is neither possible nor advisable to extend their scope so as to cover matters relating to the internal working of the Directorate and its purely executive administration, and that the machinery of the Advisory Committee should not be used for the purpose of eliciting information such as that desired by your representative.

2. But, whilst Government must adhere to this ruling, they have no desire, apart from the question of the functions of the Advisory Committee, to withhold any information which they are in a position to give, and, since it is now stated that none of the questions of your representative have so far been officially answered, I am to refer you to replies given in Council to questions asked by Rao Saheb Harilal D. Desai, M. L. C. (Ahmedabad City), and Mr. G. B. Trivedi, M. L. C, (Thana District), as printed at pages 643 and 661, respectively, of Volume VIII, part III, of the Bombay Legislative Council Debates. These deal with four of the questions put forward by your representative and I am to attach a statement with replies to the remaining questions Nos. 2,3,4,5, and 7.

Question.	Answer.
2. Whether the Superintending Engineer has had really any training and experience to undertake work of such magnitude before he was given charge of the scheme.	2. Yes. The Superintending Engineer has had considerable experience of reinforced concrete, and is specially qualified for the work.
3. Was it at all necessary to appoint Superintending Engineer, No. 4 Project Division, when the work of the Division could have been managed by another man drawn from the other Division.	3. The reply is in the affirmative. The Superintending Engineer, No. 4 Project Division, deals with all three Project Divisions, as with the Reclamation Branch.
4. Was it not possible to save a sum of about Rs. 80,000 on 16 floor centerings for the chawls at Worli estate, if the work had been given on contract at a rate which would have included the rate for centerings? Whether any efforts have been made in this direction now?	4. No. If the contractor had supplied the centerings, he would have had to quote a higher rate to cover the extra cost.
5. Is it a fact that Superintending Engineer, No. 1 Project Division, is generally in the habit of using intemperate language towards his staff and others on the works and whether he used abusive language towards Mr. Odey Singh, one of the contractors, and his contract was cancelled and subsequently placed with Major Gammon and Company?	5. The reply to the first part of the question is in the negative. It is correct that Mr. Odey Singh's contract was transferred to another contractor, as his work was unsatisfactory.

Question.	Answer.
7. Is it a fact that Superintending Engineer, Nos. 1 and 2 Project Divisions, are given accommodation on nominal rents, whereas the Executive Engineers and low salaried officers and other assistants have to arrange their own accommodation at high rentals, and what action is proposed to be taken by the Director on their behalf ?	7. Superintending Engineers No. 1 and 4 are accommodated in temporary wooden huts for which they pay rent under the ordinary rules. Similar accommodation was offered to Engineers but except in one case, it was not considered suitable and the officers preferred to make their own arrangements.

APPENDIX 74.

SUKKUR BARRAGE SCHEME.

No. T. 468 of 10th May, 1923.

From Chamber to the Government of Bombay, Public Works Department.

I am directed by the Committee of this Chamber to request you to be pleased to supply details regarding the Sukkar Barrage Scheme to them and also to let them know if the people of this Presidency as a whole will have to pay additional taxation as a result of the loans on account of the Sukkur Barrage Scheme.

No. 0/8601 of 1st June 1923.

From the Government of Bombay, P. W. Department to Chamber.

With reference to your letter No. T-468, dated 10th May 1923, I am directed by the Governor in Council to forward for your information a copy of the pamphlet 'The Future of Sind' and to state that it is not proposed to raise any loan on account of the Sukkur Barrage Canals Project this year, and that the whole financial arrangements relative to the Scheme are to be discussed at a special session of the Legislative Council on the 8th instant.

No. T. 570 of 7th June 1923.

From Chamber to the Government of Bombay, Public Works Department.

I am directed to address this letter to you with reference to the resolution to be moved in the Bombay Legislative Council by the Hon. Sir Chimanlal H. Setalvad regarding the Sukkur Barrage project. This Scheme has two aspects (1) Technical and (2) Financial. My Committee would like to leave the technical side to Government experts but it is the financial which interests them more. This scheme is estimated to cost over Rs. 18 crores for erecting a barrage at Sukkur and for cutting canals in Sind. My Committee regret to find that a scheme of such magnitude should be rushed through in the Council without giving the representative commercial bodies an opportunity to express their views on financial and other matters connected with the scheme, and think that it is not even now too late to consult them. My Committee beg also to suggest :—

(1) Public tenders to be invited in all cases of the purchase of stores and contractual work. Indians should be given preference as Indians in this matter;

(2) It is likely that the irrigated land will be given to cultivators and syndicates for purposes of agriculture. My Committee are emphatically of opinion that in such cases preference should be given to Indian cultivators and syndicates, in order that Indians may get the full advantage of this project.

No. O/10399-I of 15th June 1923.

From the Government of Bombay, P. W. Department to Chamber.

With reference to your letter No. T-570, dated 7th June 1923, I am directed by the Governor in Council to forward printed copies of the documents * noted in the margin and to refer you to the

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* (1) Government of Bombay, Public Works Department letter No. D. 223, dated 19th October 1922 to the Government of India with accompaniments.

(2) Government of Bombay, Finance Department letter No. 880-A. dated 19-20th February 1923 to the Government of India with accompaniments.

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reports of the proceedings of the meetings of the Legislative Council held on the 8th and 9th June 1923 at which the Sukkur Barrage Canals project was approved. I am to add that the suggestions made in your letter will receive the best consideration of Government.

No. 880-A. dated 19th—20th February 1923.

From the Government of Bombay, Finance Department to the Government of India, Public Works Department.

I am directed to refer to this Government's letter No. D.—223 dated the 19th October 1922 in which proposals were submitted for financing the Sukkur Barrage project on a basis of land sales,

I am to say that the situation has now been further examined by the Honourable Mr. Baker on special duty, and in the light of the further information I am to submit the attached statements, which show that the returns worked out in the ordinary form used by the Public Works Department will make the scheme productive in the 13th year; while in the 10th year after completion the scheme is shown to pay 10·4 per cent.

2. I am to explain that the land now shown to be available, after a fairly accurate survey of the Eastern Nara area of which no account was taken in this Government's letter of last October, is as noted below :—

		In thousands of acres.
Perennial area	A	8,50
	B	5,07
Rice area	A and B ...	68
	C	72
		14,97

The above is exclusive of land deducted for roads, canals and villages.

Close inquiry has been directed to the important points of the prices which may be expected from auction sales and the areas which it is considered safe to put on the market each year with due regard to the period after which water will be available ; and the Governor in Council can confidently recommend the present estimates as erring on the conservative side. I am to emphasise the fact that so large an area as 350,000 acres has now been reserved for disposal under the ancient system of malkano or occupancy grants at comparatively low rates to existing occupants. While there is no intention to bind Government in any way to reserve so large an area of valuable land for grants at far below the market value, it is desirable for political and other reasons, and also because inquiry shows that there are certain small blocks of land which cannot conveniently be auctioned to

the general public, to reserve a maximum for disposal on these lines, especially in the earlier years. Cultivation in Sind now averages 1 acre per head of population. With a population of about 2 million in this area, the absorption of another 8 lakhs of acres, or a 40 per cent. increase per head, in 13 years is a not unreasonable expectation. An average of 1½ acres per head has been surpassed in several talukas in Sind, especially under the perennial Jamrao canal.

Lastly, I am to remark that while making the usual reduction of 10 per cent. from the gross revenue expected, and retaining the full estimate of cost suggested by the Government of India when prices of steel and iron were extremely high, these are both heads under which considerable saving may be estimated, but the Governor in Council prefers to present the scheme on accepted lines without changing a single figure unnecessarily.

4. As regards total capital required, it will of course be recognised that the sum total of the capital shown in these statements will not have to be borrowed; and as receipts from land sales are credited, the capital thus acquired by the Bombay Government will be used to reduce their borrowing programme. This, in fact, is the only method under the present system of uninvested balances of Provincial revenues whereby a Provincial Government can earn interest on the proceeds of land sales, as shown in the statements attached.

5. Lastly, I am to add that an advance copy of this letter and statements has been sent direct by this mail to the Secretary of State, to whom also a full printed note dealing with the technical objections taken to the scheme has been forwarded; and I am to suggest that in view of the fact that, as this Government has now successfully met all possible objections both on financial and technical side, a cable may be sent to the Secretary of State as soon as these statements have been examined, conveying the approval of the Government of India, and pressing for immediate sanction to the project.

Statement showing area of land to be sold each year.

Year.	A. Lands and Rice Lands.	Rate per acre.	Proceeds (Lakhs).	B. Lands.	Rate per acre.	Proceeds (Lakhs.)	Malkano at Rs. 15 per acre.	Proceeds (Lakhs).	Total Proceeds (Lakhs.)	Total area disposed of in year.
	Acres		Rs.	Acres.		Rs.	Acres.	Rs.	Rs.	
Preliminary.	*Nil*	...	...	*Nil*	...	...	*Nil*	...	...	*Nil*
1 ...	*Nil*	...	...	*Nil*	...	...	*Nil*	...	...	*Nil*
2 ...	10,000	100	10	1,000	30	·30	10,000	1·5	11·8	21,000
3 ...	20,000	115	23	2,000	35	·70	20,000	3 0	26·7	42,000
4 ...	20,000	127	25·4	2,000	40	·80	20,000	3 0	29 2	42,000
5 ...	25,000	140	35	2,500	45	1·12	30,000	4·5	40·62	57,500
Irrigation begins.										
6 ...	35,000	150	52·5	3,500	50	1·75	30,000	4·5	58·75	68,500
7 ...	40,000	,,	60	4,000	50	2 0	30,000	4·5	66·5	74,000
8 ...	40,000	,,	60	4,000	,,	2·0	30,000	4·5	66·5	74,000
9 ...	45,000	,,	67·5	4,500	,,	2·25	30,000	4·5	74·25	79,500
10 ...	45,000	,,	67·5	4,500	,,	2·25	30,000	4·5	74·25	79,500

All works completed											
11 Rice ...	40,000	150	60	5,000	„	2·5	30,000	4·5	92·0	85,000
	10,000	250	25							
12 Rice ...	40,000	150	60	5,000	„	2·5	30,000	4·5	92 0	85,000
	10,000	250	25							
13 Rice ...	40,000	150	60	5,000	„	2·5	30,000	4·5	92·0	85,000
	10,000	250	25							
14 Rice ...	45,000	150	67·5	5,500	„	2·75	30,000	4·5	99·75	90,500
	10,000	250	25							
15 Rice ...	50,000	150	75	6,000	„	3·0	...	...	103	66,000
	10,000	250	25							
16 Rice ...	50,000	150	75	6,000	„	3 0	...	...	103	66,000
	10,000	250	25							
17 ...	*Nil*	...	...	65,000	„	32·5	...	...	32·5	65,000
18 ...	„	...	...	60,000	„	30·0	...	...	30	60,000
19 ...	„	...	...	55,000	„	27·5	...	...	27·5	55,000
20 ...	„	...	...	55,000	„	27·5	...	...	27·5	55,000
21 ...	„	...	...	55,000	„	27·5	...	...	27·5	55,000
22 ...	„	...	...	50,000	„	25	...	...	25	50,000
23 ...	„	...	...	45,000	„	22·5	...	...	22·5	45,000
24 ...	„	...	...	40,000	„	20	...	...	20	40,000
25 ...	„	...	...	35,000	„	17·5	...	...	17·5	35,000
26 ...	„	...	...	*Nil*	„	...	*Nil*	...	*Nil*	*Nil*
Totals ...	605,000	...	9,48·4	520,500	...	259·42	350,000	52·5	12,60·32	1,475,500

Statement showing net Revenue from all sources

Year.	Direct Receipts 9/10th of gross.	Famine Fund contribution.	6 per cent interest on value of land sold, see col. 13.	Total Revenue cols. 2 + 3 + 4.	Charges Direct and Indirect.	Net Revenue due to works including Famine Fund contribution.			Realization from land sales.	Progressive total of land sales.	Interest at 6 per cent. per annum on col. 11
						col. 5 *minus* col. 6.	Deduct present net revenue.	Impts. and F. F. contribution.			
1	2	3	4	5	6	7	8	9	10	11	12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Preliminary	...	10	...	10	.....	10	.....	10	...	...	...
1	...	10	...	10	.....	10	.....	10	...	...	...
2	...	10	0 7	10·7	.....	10·7	.....	10·7	11·8	11·8	0·7
3	...	10	2 3	12·3	.....	12·3	.....	12·3	26 7	38·5	2·3
4	...	10	4·1	14·1	.....	14·1	.....	14·1	29 2	67·7	4·1
5	*Present	10	6·5	16·5	.....	16·5	.....	16·5	40·6	108·3	6·5
6	55·4	10	10	20·0	*Present 19·5	20·0	*35·8	20·0	58·8	167·1	10

	88·1	10	14	112·1	26·1	86·0	...	50·2	66·5	233·6	14
8	97·5	10	18	125·5	28·1	97·4	...	61 6	66·5	300·1	18
9	104·3	10	22·5	136·8	30·1	106·7	...	70 9	74·2	374·3	22·5
10	120·4	10	26 9	57·3	32·9	124·4	...	88·6	74·3	448·6	26·9
11	140·1	10	32·8	182·9	37·4	115·5	...	109·7	92	540·6	32·8
12	149·3	10	38	197·3	38·8	158·5	...	122·7	92	632·6	38
13	153·0	10	43·5	206·5	39·8	166·7	...	130·9	92	724·6	43·5
14	156·7	10	49·4	216·1	40·9	175·2	...	139 4	99·7	824 3	49·4
15	160·5	10	55·6	226·1	41·9	184·2	...	148·4	103	927·3	55·6
16	164·3	10	61·8	236·1	42·8	193·3	...	157 5	103	1,030 3	61·8
17	179·6	10	63·8	253·4	43·8	209·6	...	173·8	32·5	1,062·8	63·8
18	183·1	10	65·7	258·8	44·1	214·4	...	178 6	30	1,092·8	65·7
19	187·9	10	67·2	265·1	45·1	220·0	...	184·2	27·5	1,120·3	67·2
20	192 9	10	68·8	271·7	45·8	225·9	...	190·1	27·5	1,147·8	68 8
21	202·8	...	70·5	273·3	46·4	226·9	...	191·1	27·5	1,175 3	70·5
22	206·8	...	72·0	278 8	47·2	231·6	...	195·8	25	1,200 3	72·0

Statement showing net Revenue from all sources.

Year.	Direct Receipts 9\10th of gross.	Famine Fund contribution.	6 per cent. interest on value of land sold, see col. 13	Total Revenue cols. 2 + 3 + 4	Charges Direct and Indirect.	Net Revenue due to works including Famine Fund contribution,			Realization from land sales.	Progressive tolal of land sales..	Interest at 6 per cent. per annum on col. 11
						Col. 5 *minus* col. 6.	Deduct present net revenue.	Impts. and F. F. contribution			
1	2	3	4	5	6	7	8	9	10	11	12
23	209·0	...	73·4	282·4	47·9	234·5	...	198·7	22 5	1,222·8	73·4
24	213·4	...	74·6	288·0	48·7	239·3	...	203·5	20	1,242·8	74 6
25	216.6	...	75·7	292·3	49·5	242·8	...	207·0	17·5	1,260·3	75·7
26	219·8	...	75 7	295·5	50·3	245·2	...	209·4	...	1,260·3	75·7
27	228·4	...	75·7	304·1	51·2	252·9	...	217·1	...	...	...
28	233·5	...	75·7	309·2	52·3	256·9	...	221·1	...	...	...
29	240·0	...	75·7	315·7	53·4	262·3	...	226·5	...	...	...
30	248·1	...	75 7	323·8	54·6	269 2	...	233·4	...	...	...
31	255·3	...	75·7	331·0	55·8	275·2	...	239·4	...	...	...
40	293·4	...	75·7	369·1	65.2	303·9	...	268·1	...	...	...

* Present.

FINANCIAL STATEMENT.

Estimate of net financial results up to the year when the work becomes productive.

(All figures in lakhs of rupees.)

Year.	Direct Outlay during year.	Direct Capital outlay to end of year.	Simple interest at 6 per cent. on outlay to end of previous year *plus* ½ outlay during the year	Net Revenue due to Improvements, column 9 statement III	Simple Interest *less* net Revenue.	Net Revenue *less* simple interest.	Accumulated arrears of simple interest.	Total Capital invested = 3 *plus* indirect outlay 53·4 lakhs *plus* column 8.	Return on total Capital invested *i.e.*, column 5 × 100 / column 9.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
Preliminary...	125 8	125·8	3·8	10	...	6.2	.....	.....	.....	
1 ...	268·1	393·9	15·6	10	5 6	.....	.....	.....	.....	
2 ...	191·7	585·6	29·4	10·7	18 7	.....	.....	.....	.....	
3 ...	207·2	792·8	41 4	12 3	29·1	.....	.....	.....	.....	
4 ...	238·5	1,031·3	54·7	14 1	40·6	.....	.....	.....	.....	

FINANCIAL STATEMENT.

Estimate of net financial results upto the year when the work becomes productive.

(All figures in lakhs of rupees).

Years.	Direct Outlay during year.	Direct Capital outlay to end of year.	Simple Interest at 6 per cent, on outlay to end of previous year *plus* ½ outlay during the year,	Net Revenue due to Improvements, column 9, Statement III	Simple Interest *less* net Revenue.	Net Revenue *less* simple. interest	Accumulated arrears of simple interest.	Total Capital invested = 3 *plus* indirect outlay 53 4 lakhs *plus* column 8.	Return on total capital invested *i. e.* column 5 × 100 / column 9.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
5 ...	194·8	1,226·1	67·7	16·5	51·2	.....	.....	.....	.....	
6 ...	132 6	1,358·7	77·5	20·0	57·5	.....	.....	.....	.....	
7 ...	137·6	1,496·3	85·6	50·2	35·4	.....	.....	.....	.....	
8 ...	137 9	1,634·3	93·9	61·6	32·3	.....	.....	.....	.....	
9 ...	102·6	1,736 9	101·1	70·9	30·2	.....	.....	.....	.....	

10	...	57·9	1,794·1	106·0	88·6	17·4	.....	.....	.....	.....	
11	...	2 8	1,797·6	107·8	109·7	318·0	1 9	.....	.....	.....	All works completed.
12	...	15·3	1,782 3	107 4	122 7	23·4	15·3	.....	.....	.....	
						294·6	23·4	.....	.....	.....	
13	...	Nil	1,782·3	106 9	130·9	.....	24 0	294·6	2,130·3	6'13 percent	Work becomes "Productive,"
14	...	.....	.....	106 9	139·4	.....	32·5	270·6	2,106·3	6·62 „	
15	...	.....	.....	106·9	148·4	.....	41·5	238 1	2,073·8	7'17 „	
16	...	.....	.....	106·9	157 5	.....	50·6	196·6	2,032·3	7·76 „	
17	...	.....	.....	106·9	173·8	.....	66 9	146·0	1,981·7	8'75 „	
18	...	.....	.....	106·9	178·6	.....	71·7	79·1	1,914·8	9'32 „	
19	...	.....	.....	106·9	184 2	.....	77·3	7·4	1,843·1	10 „	
20	...	.....	.....	106 9	190·1	.....	83'2	Nil	1,835·7	10'37 „	*All arrears of interest wiped out in 9th year after completion.*

FINANCIAL STATEMENT.

Estimate of net financial results up to the year when the work becomes productive.

(All figures in lakhs of rupees.)

Year.	Direct Outlay during years.	*Direct* Capital outlay to end of year.	Simple Interest at 6 per *cent, on* outlay to end of previous year *plus* ½ outlay during the year	Net Revenue *due to* Improvements, column 9 Statement III	*Simple* Interest *less* net Revenue.	*Net* Revenue *less* simple interest.	*Accumulated* arrears of simple interest.	Total Capital *invested* = 3 *plus* indirect outlay 53·4 lakhs *plus* column 8	Return on total capital invested *i. e.* column 5 × 100 / column 9	Remarks.
1	2	3	4	5	6	7	8	9	10	11
21 ...	.....	.....	106 9	191·1	.....	84 2	.....	1,835·7	10·4 „	10 years after completion.
22 ...	.....	.....	106·9	195 8	.....	.....	.....	1,835·7	10·67 „	
23 ...	.....	.....	106 9	198 7	.....	.....	.....	1,836·7	10·82 „	
24 ...	.....	.....	106·9	203 5	.....	.....	.....	1,835·7	11 1 „	

25	.....	.....	106·9	207·0	.....	.....	.....	1,835·7	11·3	,,
26	.....	.....	106·9	209·4	.....	.....	.....	1,835·7	11·4	,,
27	.....	.....	106·9	217·1	.....	.....	.....	1,835·7	11·8	,,
28	.....	.....	106·9	221·1	.....	.....	.....	1,835·7	12·05	,,
29	.....	.....	106 9	226·5	.....	.....	.....	1,835·7	12·3	,,
30	.....	.....	106·9	233·4	.....	.....	.....	1,835 7	12·7	,,
31	.....	.....	106·9	239·4	.....	.....	.....	1,835·7	13	,,
40 and thereafter.	.....	.....	106·9	268·1	.....	.....	.....	1,835·7	14·6	,,

20 years after completion.

Final return on Capital of 1,835·7 lakhs.

Statement showing Capital required to be borrowed each year.

(All figures in lakhs of rupees.)

Year.	Capital required each year to meet expenditure direct and indirect on works.	To meet interest charges not met from Revenue.	Total Capital required in each year.	Remarks.
1	2	3	4	5
Preliminary.	128·4	–2·3	126·1	
1	273·1	14.0	287·1	
2	197·4	25·9	223·3	
3	214·3	38·7	253·0	
4	245·0	54·0	299·0	
5	201·3	66·9	268·2	
6	137·7	75·7	213·4	
7	142·1	58·6	200·7	
8	142·9	59·2	202·1	
9	105·3	59·6	164·9	
10	60·0	49·4	109·4	
11	3·4	31·3	34·7	
12	–15·3	19·3	4·0	
13	.....	12·3	12·3	
14	.....	4·5	4·5	
15	.....	Nil.	Nil.	
Total ...	18,35·7	5,67·1	24,02·8	

No. D/223, of 19th October 1922.

From the Government of Bombay, Public Works Department to the Government of India, Public Works Department.

I am directed by the Governor in Council to refer to the letter from the Government of India No. 392, dated 16th July 1921, on the subject of the Sukkur Barrage Project, and to observe that the reply to it was delayed owing to the necessity of recasting the financial proposals in view of the situation that now exists.

2. Before proceeding, I am to express the regret of this Government that the Government of India are unable to accede to the request of this Government to bear a portion of the burden of the interest charges during the construction of this project in view of the benefits accruing to Central Revenues under the existing settlement from all such development schemes. The Governor in Council is firmly convinced that the considerations set forth in his letter No. 428P of the 22nd September 1921 in support of this Government's claim to consideration cannot be contested and he hopes that the Government of India will feel disposed to consider more favourably the request of this Government under improved financial conditions. In the meantime, this Government have endeavoured to evolve financial arrangements on the basis of this Government bearing the whole of the interest charges.

3. In the letter of the 16th of July 1921 quoted above, the Government of India desire to be furnished with information as to the Government of Bombay's proposal to find the funds required for the execution of the project, and suggest that the approval of the scheme by the Provincial Council should be obtained as desired by the Secretary of State in paragraph 5 of his Despatch No. 23 P. W., dated 16th June 1921. The only method of finding the capital funds is by borrowing. The Governor in Council suggests that the most satisfactory solution is for the Government of India to make advances to this Government year by year as and when required at the rate

at which the Government of India are able to borrow in the market in such year, plus the proportionate share of the cost of floating the loan by way of advertisements, brokerage, &c.

4. It is proposed to meet the interest charges on the projects by the following three methods :—

(1) 10 lakhs per annum will be allotted out of famine grants each year. The Accountant General has been consulted and has agreed that there is no objection to this course, as the Sukkur Barrage is essentially a protective work from the point of view of Sind.

(2) Land may be sold as water is available, and in advance at lower rates, to meet a part of the interest charges in any year.

(3) Interest may be met out of capital in any year, and especially in the earliest year, when the demand for land is too low to attract reasonable prices.

5. As regards method No. 2, I am to explain that the figures already given of net interest charges as shown in the statements attached to my predecessor's letter No. D–395, dated 30th July 1920 contemplated only Rs. 10 an acre as occupancy price for new land brought under irrigation, a figure, which as observed in paragraph 19 of the Government of India Despatch to the Secretary of State of December 16th, 1920, is far below the market value of land with a perennial water supply. This low rate was adopted in accordance with the policy which has led to the great expansion of cultivation in Sind during the last generation and the great increase of its prosperity. It has been the tradition in Sind to give land almost free to neighbouring zamindars in order to leave in their hands sufficient capital for its reclamation and its equipment with the necessary embankments and water channels ; and so long as the Barrage scheme was regarded as a measure merely for the improvement of the prosperity of Sind, it was intended to pursue this liberal policy. The conditions of the problem are, however, changed by the inception

of the Sutlej Valley scheme; and it is now recognised equally by the Government of Bombay as by the Government of India that the Sukkur Barrage scheme is necessary for the protection of the vital interests of the province. Agriculture cannot flourish when through the operation of the Sutlej Valley scheme the canals in Sind fail to receive their full supply at the beginning and at the end of the cultivation seasons. Under stress of necessity, therefore, the zamindar in Sind must be led to appreciate the full value of the land placed at his disposal, and must be induced to purchase it at a reasonable valuation. It has been estimated that Rs. 200 would be such a reasonable estimate. This price cannot, however, be realised at once and the education of the zamindar must be gradual and can only be effected by actual sales at a gradually increasing rate. It is, however, essential to keep up prices, and not to sell cheaply a larger area than is necessary to create a market, and it is equally important to restrict the areas fos subsequent disposal to reasonable dimensions. I am to emphasize that this Government must have a free hand to plan sales so as

(1) to lose as little prospective value as possible ; and

(2) to dispose of all land as it becomes irrigable without delay involving losses both of interest and of assessment. It is, therefore, essential that this Government should have power, when they deem it desirable, to pay some interest charges out of capital, and the provision of loan capital must further be assured so as to cover such payment of interest out of capital in any year in which this course is desirable.

6. I am to invite consideration of the following figures, which are relevant. The gross area commanded by the project when completed may be taken at 7½ million acres, of which 6½ million are cultivable. These figures however include lands already in occupation. The new unoccupied areas still to be brought under irrigation can only be roughly estimated, but excluding the Nara lands, which have not yet been classified (but are approximately the same in area as those which have been examined in detail), we have 771,000 acres

of A class lands, and 419,000 acres of B class. A deduction of 10 per cent. for roads, canals, village sites, &c., will be necessary; but the above figures are sufficient to show approximately the area of land available for sale. If this Government were forced to meet all interest charges over and above the 10 lakhs to be provided as an annual famine contribution, the situation would have to be met by sales at what may be termed sacrifice rates. These have been worked out and it can be shown that by selling land to a maximum extent of 76 thousand acres in any one year the project will pay 6 per cent. in the 17th year. I attach a Statement A which assumes that no land will be sold in the first six years, but that thereafter a reasonable area of land will be disposed of at rates gradually rising from Rs. 100, to be on the safe side, in the 7th year to Rs. 200 in the 14th year and onwards for A land; and in the case of B lands, varying from Rs. 50 in the 16th year to Rs. 75 in the 19th year and onwards. The rates are purposely kept low as it cannot be assumed that the full value of Rs. 200 will be available for every acre of land as it becomes irrigable, since the effect of holding out for such a price would almost certainly be a failure to dispose of all the land available, and a reduction of the revenue from assessment. This Government may therefore find it necessary to restrict sales in the earlier years to small areas, and to pay interest charges out of capital till the period of availability of water draws nearer and the market is brisker. If no land, or only a comparatively small area, is sold, the a ditional capital required to meet interest charges in these years will be Rs. 279 lakhs; and the Governor in Council thinks that for the purpose of an immediate forecast, this addition to capital requirements should be assumed. I am to emphasise that if the scheme is to be carried out, it must not be imperilled by a shortage of funds in the middle of operations; but it is scarcely necessary to observe that there are obviously limits to holding up areas for higher prices, and that these limits will operate to prevent this Government from pursuing a policy which involves excessive borrowing. I am to suggest that the margin above indicated (or in round figures 3 crores) is ample to meet all charges; but this Government desire to be assured of the further funds that may be required from the Go-

vernment of India, should this estimate be exceeded by any unforeseen contingencies.

7. I am to explain that, whereas in the original statements no credit was taken in the project for revenue realised in the form of capital by sales of land but only the interest on such sale proceeds was classified as revenue under the rules in force, it is now essential to consider the problem from a totally different standpoint. The scheme must be carried through as a protective work, and the immediate question is not whether the scheme will pay a fixed percentage in recurring revenue, but whether it can be financed and all interest charges met out of the total proceeds of recurring revenue and non-recurring capital receipts due to the sale of lands. Accordingly credit has been taken for the anticipated proceeds of land sales in each year; and the figures of percentage earnings are worked out on the total capital outlay after taking into account (1) the subvention from the famine fund; (2) the net revenue; and (3) the proceeds of land sales in any given year.

8. In paragraph 18 of the Government of India's Despatch No. 23 P. W., dated 16th December 1920, a suggestion has been made that the maximum rates of assessment proposed should be introduced immediately and rebates given, if necessary. It is considered advisable meanwhile to underestimate rather than overestimate revenues and the method of imposing a graded rate of assessment can be settled in the future.

9. Statement B is given in the usual form and shows the net return on the capital expenditure without regard to the cost of providing the capital. In deference to the view expressed in paragraph 18 of the despatch of the Government of India to the Secretary of State referred to in paragraph 8 *supra* a deduction of 10 per cent. has been made from water rates in order to cover charges for land revenue. The number of years for which a subvention from the famine fund will be required to ensure the ultimate productiveness of the scheme can only be roughly stated. In Statement A, revenues from the sales of land are only taken into consideration roughly to

the extent of the area already classified, and thereafter it is shown that the project pays 6 per cent. (the rate of interest now it is understood fixed by the Secretary of State) and above, omitting all proceeds of land sales and even the interest on such receipts.

10. The early commencement of the work is urgently necessary in the interest of Sind which has been kept in suspense for 20 years awaiting the carrying out of this project and further delay would constitute a grave political error.

I am, therefore, directed by the Governor in Council to request that the Government of India approve of the proposals as now submitted and obtain by cable the sanction of the Secretary of State contingent on the approval of the Legislative Council. The Governor in Council fully expects that the Legislative Council will approve the project and the financial proposal stated in this letter. It will be remembered that the Legislative Council in the resolution which it passed on 7th October 1921 when requesting financial assistance from the Government of India expressed itself in favour of the project being undertaken.

11. If the work commences by the middle of November this year, Rs. 9 lakhs will, it is estimated, be required for capital expenditure during the current year and Rs. 2 crores in 1923–24. The interest charges for the borrowings of the current year and for the year 1923-24 will be covered by the grant of 10 lakhs a year from the famine insurance funds and it will be necessary in subsequent years to borrow the sums required for actual construction plus the interest on previous borrowings.

STATEMENT A.

Year.	Direct outlay during the year including interest out of capital.	Direct capital outlay to end of year including interest out of capital.	Simple interest at 6 per cent. on capital outlay to end of previous year plus half outlay during year.	Income,				Interest to be capitalized column 4 *minus* column 8.	Percentage earned.	Remarks.
				Net Revenue including enhanced land Revenue.	Famine grant.	Sales of Land.	Total.			
1	2	3	4	5	6	7	8	9	10	11
	lakhs,	lakhs,	lakhs,	lakhs,	lakhs,		lakhs,	lakhs,		
Preliminary	126	126	4		10		10	*Nil.*		**Note.*—In column 5, the interest for "Malkano" allowed for in the original project has been deducted.
1st	268	394	16		10		10			
nd	211	605	29		10		10	19		
3rd	240	845	43		10		10	33		
4th	286	1,131	58		10		10	48		

STATEMENT, A.—*contd.*

Year.	Direct outlay during the year including interest out of capital.	Direct capital outlay to end of year including interest out of capital.	Simple interest at 6 per cent, on capital outlay to end of previous year plus half outlay during year.	Income.				Interest to be capitalized column 4 *minus* column 8.	Percentage earned.	Remarks.
				Net revenue including enhanced land Revenue.	Famine grant,	Sale of Land.	Total.			
1	2	3	4	5	6	7	8	9	10	11
		lakhs,		lakhs,		lakhs,	lakhs,		lakhs,	
5th	259	1,390	74		10		10	64		
6th	210	1,600	87	*	10	†	10	77		† A. Lands sold, Acres, Rate per acre, at Rs.
7th	161	1,761	100	26	10	40	76	24		40,000 100
8th	152	1,913	100	31	10	55	96	14		50,000 110
								279		
9th	103	2,016		38	10	72	120		5·94	60,000 120

10th	57	20,73		51	10	91	152	7·3	70,000	130			
11th	3	2,076		67	10	60	137	6·6	40,000	150			
12th	—15	2,061		74	10	60	152	7·3	40,000	170			
											B, Lands sold.		
13th		2,061		77	10	68	163	7·9	40,000	190		Rate	
14th		2,061		80	10	76	170	8·2	40,000	200		per	
											Acres.	acre,	
15th		2,061		82	10	80	172	8·3	40,000	200		at	Rs,
16th		2,061		85	10	80	205	9·9	40,000	200	60,000		50
17th		2,061		99	10	110	225	10 9	40,000	200	60,000		60
18th		2,061		102	10	116	234	11·3	40,000	200	60,000		70
19th		2,061		106	10	122	241	11·7	40,000	200	60,000		75
20th		2,061		113		125	238	11·5	40,000	200	60,000		75
21st,		2,061		120		125	245	11·9	40,000	200	60,000		75
									660,000		360,000		
22nd		2,061		123			123	6·0					
23rd		2,061		*126			126	6·1	*Note*,—In this statement credit is taken for total proceeds until all land is sold,				
31st		2,061		163			163	7·9					

STATENENT B.

Year.	Irrigated area at end of year.	Revenue receipts and charges.						
		Gross Revenue due to work.			Charges both direct and indirect against revenue account,	Net revenue due to work.		Balance due to improvements, column 7 *minus* column 8,
		Direct Receipts (9-10th of gross revenues),	Enhanced Land revenue or indirect revenue,	Total, columns 3 and 4,		Including enhanced land revenue, column 5 *minus* column 6.	Deduct present net revenue,	
1	2	3	4	5	6	7	8	9
		Lakhs,	Lakhs,	Lakhs,	Lakhs,	Lakhs,	Lakhs,	Lakhs,
2nd ...								
3rd ...								
4th ...								
5th ...								
6th ...		55 (Present.)	...	55 (Present),	19 (Present)	...	36 (Present,)	

7th ...	88	40	128	26	102	36	66
8th ...	98	55	153	28	125	36	89
9th ...	104	72	176	30	146	36	110
10th ...	120	91	211	33	178	36	142
11th ...	140	60	200	37	163	36	127
12th ...	148	68	216	39	177	36	141
13th ...	153	76	229	40	189	36	153
14th ...	158	80	238	41	197	36	161
15th ...	160	80	240	42	198	36	162
16th ...	164	110	274	43	231	36	195
17th ...	179	116	295	44	251	36	215
18th ...	183	122	305	44	261	36	225
19th ...	188	125	313	45	268	36	232
20th ...	193	125	318	46	272	36	236
21st ...	203	125	328	46	282	36	246

STATEMENT B.—*contd.*

Year,	Irrigated area at end of year.	Revenue receipts and charges,						
		Gross Revenue due to work,			Charges both direct and indirect against revenue account,	Net revenue due to work,		Balance due to improvements, column 7 *minus* column 8.
		Direct Receipts 9-10th of gross revenue,	Enhanced Land revenue or indirect revenue,	Total columns 3 and 4,		Including enhanced land revenue, column 5 *minus* column 6	Direct present net revenue	
1	2	3	4	5	6	7	8	9
		Lakhs,		Lakhs,	Lakhs.	Lakhs,	Lakhs.	Lakhs,
22nd ...		207		207	47	160	36	124
23rd ...		209		209	48	161	36	125
24th ...		213		213	49	164	36	128
25th ...		217		217	50	167	36	131
26th ...		220		220	51	170	36	134

27th ...	228	228	51	177	36	141
28th ...	233	233	52	181	36	145
29th ...	240	240	53	187	36	151
30th ...	248	248	55	193	36	157
31st ...	255	255	56	198	36	162
40th ...	293	293	65	228	36	192

NOTE.—This statement is similar to the original project statement but includes credit for land sales as shown in statement A.

APPENDIX 75.

INDIA AND THE IMPERIAL INSTITUTE.

Dated 18th August 1922.

From the Secretary, Association of the British Chambers of Commerce, London to Chamber.

India and the Imperial Institute.

I am directed by Sir Arthur Shirley Benn, K.B.E., M.P., President, and the Council of this Association, to inform you that at the Quarterly Meeting of this Association on July 19th, the delegates heard with much regret of the decision of the Government of India to discontinue its annual grant of £ 1,400 per annum to the Imperial Institute.

The Association unanimously passed the following resolution and I was directed to transmit a copy to you with a request that you would be good enough to communicate it to the Indian Chambers of Commerce in India :—

> "That this Association of British Chambers of Commerce greatly regrets the decision of the Government of India to discontinue its annual grant to the Imperial Institute. In view of the valuable work which the Institute has done for India, with which the Association of British Chambers of Commerce has in recent years been closely associated, and the importance of the Institute work not only to the industrial development of India, but to Indian trade with this country, the Association earnestly hopes that the Government of India will reconsider this question, specially in view of the increased support which other Governments, including the British Government, have now

decided to give to the Imperial Institute, in order to develop the operations of the Institute on the broadest lines in the interests of all the parts of the Empire."

In transmitting this resolution to you I am to forward (1) a Memorandum prepared by Sir Harvey Adamson, K.C.S.I., Chairman of the Committee for India of the Imperial Institute, (2) copy of Sir Harvey Adamson's letter to the "Pioneer" January 30th, 1920, (3) copy of the "Bulletin" of the Imperial Institute summarising its operation.

I am to express the hope that the terms of the resolution may receive your most favourable consideration and that you will be good enough to take such steps as you consider desirable to urge the Government of India to reconsider their decision to discontinue the annual grant.

No. T–172, of 28th February 1923.

From Chamber to the Secretary, The Association of British Chambers of Commerce, London.

With reference to your letter of the 18th August 1922, I am directed to inform you that my Committee have gone fully into the question referred to in your letter. They have considered the enclosure sent along with your letter bearing on the decision of the Government of India to discontinue their annual grant of £1400 per annum to the Imperial Institute. They regret they have come to the conclusion that looking to the present financial circumstances of the Government of India as also the views expressed on former occasions by Sir Thomas Holland and the late Sir William Meyer they do not like to interfere with the decision which has been already arrived at.

APPENDIX 76.

RE-ALLOCATION OF PORTFOLIOS IN THE EXECUTIVE GOVERNMENT OF THE GOVERNMENT OF INDIA.

Telegram dated 11th April 1923, from Chamber to the Private Secretary of H. E. the Viceroy.

"Committee Indian Merchants' Chamber understand that the distribution of various portfolios in Central Government by His Excellency has been in direct contravention of the recommendations of Acworth and Inchcape Committees. Committee would feel obliged if they can be favoured with full details of this distribution to enable them to submit their views to His Excellency on redistribution of portfolios as short and incomplete note on this appeared in press about beginning of this month."

Telegram dated 16th April 1923.

"Having seen details of re-allocation of Port folios in Press on 12th instant Committee Indian Merchants' Chamber beg to lodge their respectful but most emphatic protest against same by which most important subjects vitally affecting trade, commerce and industries of the country are concentrated in one hand. Committee have no hesitation in asserting that it is impossible for one Member to give anything like adequate attention to Railways and shipping and allied subjects and Commerce including Tariffs as well. Acworth Committee strongly deprecated grouping on these lines and in the interests of efficient Railway administration recommended that Railways should be kept separate from Commerce including tariffs. This recommendation had in my Committee's opinion additional weight now that

Railways are working at a loss in times of financial stringency and therefore demand exclusive and careful attention. On the other hand questions regarding Tariffs are sure to loom large and will offer for solution problems of serious import. Despite these facts being known and in contravention of the unanimous opinion of Inchcape Committee His Excellency has thought fit to continue objectionable grouping of Railways and Commerce, in one hand. Committee feel that whatever Mr. Innes' capacity for grasp and hard work it is impossible he can do justice to the subjects entrusted to him. Comparatively unimportant subjects have been assigned to two Indian Members which is most to be regretted. Committee regret to have to record their opinion that the decision of His Excellency regarding this distribution makes for waste of energy and consequent extravagance in the case of the two portfolios and will tend to inefficiency in case of Commerce portfolio. Committee venture to suggest that His Excellency may see his way to revise the allocation announced by him so that Railways and Commerce including Tariffs are in hands of two different Members. Fazulbhoy Currimbhoy, President Inchambu."

D. O. No. 2174-G. M. of 12/14th April 1923.

From the Private Secretary to H. E. the Viceroy to Chamber.

With reference to your telegram dated 11th April a full copy of His Excellency's instructions regarding allocation of portfolios was published in the press yesterday.

APPENDIX 77.

PROPOSED INDIAN SAILORS' HOME.

No. 33 M, of 3rd February 1923.

From the Government of Bombay, Marine Department to Chamber.

I am directed by the Governorin Council to request that you will be so good as to move your Chamber, if they agree to cooperate in the matter, to nominate a member on a Committee which the Bombay Government propose to appoint to draw up a scheme for an Indian Sailors' Home, as a memorial to Indian seamen who gave up their lives in the great war.

No T-114, of 14th February 1923.

From Chamber to the Government of Bombay, Marine Department.

With reference to your letter No. 33. M., dated 3rd instant, I am directed by my Committee to say that they approve of the Scheme for an Indian Sailors' Home. Mr. Devidas Madhowji Thakersey, the Vice President of the Chamber is nominated by my Committee as a member of the Committee which the Government have appointed in the matter.

APPENDIX 78.

PROPOSED VISIT OF A FRENCH SQUADRON.

Dated 4th May 1923.

From the Collector of Bombay to Chamber.

I am asked by Government to give an informal intimation to the principal public bodies and clubs in Bombay of the intended visit of a French Squadron of two men-of-war about May 31st, and their proposed stay of twelve days, so that these public bodies and clubs, may, if they desire, arrange to show hospitality to the officers and men of the squadron. I enclose (1) extract from a letter of the French Consul at Bombay showing the intentions and personel of the visit; (2) programme and arrangements with which the squadron and Civil Mission were welcomed and entertained in Australia. It will be seen that the public bodies and representatives of Australian community, both official and non-official, Municipal, commercial, industrial, as well as social clubs and prominent members of local society, did their best to make the stay of the visitors as pleasant and successful as possible and a very full programme was arranged.

2. From a study of the Australian programme, it will be seen that the following arrangements suggest themselves as suitable for the Bombay visit which extends for twelve days. Consideration of the men of the Squadron as well as of the officers and Civil Mission would be advisable.

(1) trips to places of interest in Bombay and the neighbourhood. and refreshments.

(2) inspection of public works and utilities completed and in progress in Bombay and neighbourhood.

(3) banquets, dinners. receptions, garden parties and the like.

Nos (1) to (3) would seem suitable for public and semi-public bodies, to undertake.

(4) visits to spinning and weaving cotton and woollen mills, and other manufactories.

The Mill-Owners Association. Chamber of Commerce, Indian Merchants' Chamber and Bureau might be disposed to arrange these.

(5) Theatres, cinemas and circuses might allow officers and men in uniform to attend any performance free of charge.

(6) Institutions such as the Y. M. C. A., & etc. might allow the full advantage of their establishment.

(7) Clubs, Gymkhanas, Swimming Bath, might make the officers and civil mission Honorary Members during their stay and put courts and facilities for games at their disposal.

(8) Railway Companies, the Tramway Company, Ferry Steamer Companies might consider allowing officers and men in uniform to travel free of charge.

(9) Further hospitality such as luncheons, coirces, dinners, dances and the like would seem suitable for clubs if so inclined, to undertake.

3. It is understood that the members of the civil mission will probably give some lectures, and display films. They would especially wish to meet representatives of Commerce and Industry.

4. The total complement of the squadron's crews will be about one thousand five hundred including about eighty or ninety officers. The civil mission will be a dozen or less.

5. It is requested that if you propose to do anything on the above lines, you will kindly inform me of your intentions, at a very early date, as a daily programme will have to be arranged, in consultation

with the Naval and Military authorities and the Consul for France, and the time till the arrival of the squadron is very short.

No, T-494 of 21st May 1923.

From Chamber to the Collector of Bombay.

With reference to your letter of the 4th instant and in continuation of my letter of the 16th instant, No. 487, I am directed to inform you that Sir Fazulbhoy Currimbhoy, Kt. C. B. E., President of this Chamber, will like to entertain the Admiral and the Staff and such other Officers who may be at liberty to attend together with the members of the Civil Mission to a Garden Party at the Willingdon Sports Club on the afternoon of the 6th June, or on any such date as is convenient to them.

My Committee will also be glad to arrange for tours of the Civil Mission to the Piecegoods Market, the Grain Market and the Cotton Market on such dates as are convenient to them (the Mission).

My Committee will also be glad to have a lecture by a member of the Civil Mission at their Committee meeting where all members of this Chamber interested in the trade with France will be invited to attend on any such date as is convenient to them.

No, F, S, of 25th May 1923,

From the Collector of Bombay to Chamber

I regret to inform you that the French Admiral has cabled regretfully cancelling his visit to Bombay.

2. I have to express on behalf of the Government of Bombay the warmest thanks for the public spirited and hearty way in which the President of your Chamber agreed to extend hospitality to the Squadron and Civil Mission, and to express regret that the efforts made are not to take further effect.

APPENDIX 79.

PUBLIC HOLIDAY TO ENABLE BANKS IN BOMBAY TO MAKE UP THEIR HALF-YEARLY ACCOUNTS.

No, 1345-A of 16/18th June 1923,

From the Government of Bombay, Finance Department to Chamber.

I am directed by the Governor in Council to invite a reference to this Government's letter No. 1345 A of the 25th of June 1922, intimating that the first of July of 1922 had been declared public holiday under the Negotiable Instruments Act 1881. I am to state that representations have again been made to Government that Monday, the 2nd of July 1923 should be notified as a public holiday. The object is to enable the Banks in Bombay to make up their half-yearly accounts.

2. I am to enquire whether your Chamber wish to express any opinion on this matter, and to request the favour of a reply within a week.

No, T, 622 of 21st June 1923,

From Chamber to the Government of Bombay, Finance Department.

With reference to your letter No, 1345-A dated the 18th instant, I am directed by my Committee to state that they approve of the suggestion to notify the 2nd of July 1923 as a public holiday to enable Banks in Bombay to make up their half-yearly accounts.

APPENDIX 80.

LAW'S DELAYS.

Dated 13th June 1923.

From the Bombay Incorporated Law Society to Chamber.

I am desired by my Committee to write to you under the following circumstances :—

At a Special Meeting of the Incorporated Law Society held on the 17th January 1922 it was resolved that a Petition be presented by the Society to the High Court pointing out the delay in the offices of the Prothonotary and requesting that early steps may be taken to increase the staff to cope with the increased work.

Accordingly a Memorial was submitted by the Society to the Honourable the Chief Justice and other Judges of the High Court on the 15th February 1922. A reply was received to this Memorial to the effect that the Chief Justice was entirely in accord with the views expressed by the Society and that he had also written to the Government and His Lordship suggested that the Society should also address Government in the matter.

The Society accordingly addressed a Memorial to Government on the 31st March 1922. A copy of the Memorial is sent herewith for your information. Beyond a bare acknowledgement no reply has been received from Government.

My Committee is of the opinion that the matter dealt with in the Society's representation is of vital importance to the Commercial public of Bombay and that it is very desirable that Commercial bodies should also address Government on the subject. It is within the experience of many of our members that the delays incurred in liti

gation entail failure to obtain justice from the High Court and deter members of the Commercial Community from even seeking to obtain the legal remedies to which they are entitled.

I am therefore asked by my Committee to request you to submit a strong representation to Government on the subject or take such steps as your Committee may think proper to obtain a redress of the present undesirable position and inform me of the result in due course.

Dated 31st March 1922.

From the Bombay Incorporated Law Society to His Excellency the Governor in Council, Bombay.

The Humble Petition of the Bombay Incorporated Law Society.

Respectfully Sheweth :—

That owing to a series of complaints which were received by the Committee of the Incorporated Law Society, a Special Meeting of the Society was convened on Thuesday the 17th January 1922 at which after some discussion the following resolution was passed unanimously :—

> "That a Petition be presented by the Society to the Honourable the Chief Justice and other Judges of the High Court pointing out the delay in the Offices of the Prothonotary and the Chief Translator in issuing writs of summons, Decrees, Orders and other process and Official translations respectively and requesting that early steps may be taken to increase the staff in the said Offices to cope with the increased work."

A Memorial setting out the following representations was accordingly prepared and addressed to the Chief Justice of Bombay dated the 15th February 1922 but His Lordship by the Prothonotary's letter No. 86 of the 17th February (sent herewith in original) has

requested the Society to address Government direct on the subject. The Committee of the Society therefore submit the following representation considering that there is not the slightest doubt that the cause of the trouble is the paucity of the staff in the High Court Offices.

2. It will not be disputed that the High Court is at the service of the public. It is an institution for the purpose of dealing out justice between contending parties and as the public pay for the justice and the legal profession are their agents for securing it the public and the profession are entitled to have the office administration as expeditious as efficiency will allow. In order to effect this it is necessary that not only the staff of Judges but also the staff in general offices of the High Court should be commensurated with the work to be carried out. During the last four years there has been an abnormal increase in the amount of litigation in the High Court. Much of the litigation has no doubt been the effect of causes created by the war and the aftermath of war but there is no sign at present of any diminution in litigation.

3. 3 Members of this Society consider that there are likely to be nearly as many cases filed during the present year as there were during 1921. Upto the year 1918 the number of cases filed in the High Court may be said to have averaged 1600 per annum. In 1919 and 1920 the two years following the war the number of cases rose to 3700 in each year and in 1921 this rose to 5434. In other words since 1918 the number of cases filed has increased threefold. In order to cope with this there are now five Judges sitting on the original side instead of three as formerly, but inspite of this the undisposed of cases at the end of 1921 amounted to 4257 showing no proportionate decrease. In the Offices however of the High Court there has been no such increase of staff. On enquiry at the Prothonotary's Office the Society learn that upto last year there was no increase whatever in the number of the staff, but on the earnest representation of the Prothonotary eight clerks only were taken on temporarily and these clerks are now being confirmed in the posts. The

staff of the Prothonotary numbered 43 to which can now be added the 8 new appointments. With the increase in the number of Courts sitting this Society submits that a corresponding increase in the clerical staff of the Court is essential and that this should be increased to 65 in order to cope with the work. Litigation has increased threefold and this Society submits that it must be impossible for the staff however efficiently they do their work to cope with the volume of work which now falls upon them. The complaints received to a large extent deal with the serious delay in execution of decrees and matters subsequent to the decision of cases. As the number of suits filed last year gradually come up for hearing and are disposed of, the delay in the realisation of decrees must become worse unless some step is immediately taken. The Society submit that the Public and the Legal Profession are entitled to protest against the great inconvenience under which they are suffering.

4. The members of this Society being directly in contact with the public note that owing to the great delay in litigation many clients prefer to settle their just claims on any terms which do not entail too much loss rather than take proceedings against their debtors which may involve them in litigation lasting for months and sometimes years during which time it is impossible to say what may happen to their debtors.

5. The amount received in Court Fees during the last five years has increased threefold. Whereas the Fees on the Original Side amounted to about 2 lacs in 1917 the Fees in 1921 amounted to 6 lacs. This is apart from the miscellaneous matters and receipts in the Testamentary Registrar's department. This money is being received by Government and with justice the Society submit that it is not fair that Government should take advantage of this large increase in the Court Fees without giving a corresponding increase in the staff of the High Court necessary to deal with the litigation which is the source from which this increase in fees arises.

6. Owing to the paucity of the staff there is at the commencement of litigation a delay in obtaining the issue of summons exten-

ding over weeks which may entail great difficulty upon a Plaintiff being able to serve the defendant. Having obtained the summons from the High Court there is then difficulty in getting it served by the Sheriffs office.

7. A delay of which the members of this Society bitterly complain is in the obtaining of decrees and orders and in the prosecution of execution proceedings, transmission of decrees, entering of satisfaction or part satisfaction in decrees etc. Take for example *Decrees.* This Society is given particulars of many cases where it has taken 2 or 3 months to obtain the Decree from the Prothonotary's Offices. *Sealing Department* :—sealed documents cannot be obtained until two days after date on which they are sealed; consequently they bear a date earlier than the date of their receipt in the Solicitors' Offices. *Execution Department* :—Warrants of execution and warrants of arrest and other documents are delayed inordinately when a client is anxious to obtain the fruits of his decree. It is very exasperating to a client not to be able to execute the decree owing to delay in the High Court and this not unfrequently results in judgment debtors being able to take advantage of this delay in running away from Bombay or so making arrangements as to further impede their successful creditor in obtaining his redress for which he has invoked the machinery of the Law.

8. Again referring to the question of the writ of summons in Short Causes matters, it not unfrequently happens that summons have not been received in time for service so as to give the defendants the ten days clear notice of the suit to which they are entitled under the rules. The consequence is that the returnable date of the summons has got to be amended. Owing to the abnormal delay in getting this amendment passed through the Offices it happens that the order for amendment is not ready for several days and the summons again becomes out of time and the whole proceedings has to be done through over again. All this is done at the expense of the client who becomes very annoyed not so much at the expense involved as at the failure to bring on his suit against the defendant. The client deals

with the Solicitor only and naturally holds him responsible not understanding where the difficulty lies.

9. Now on the other hand it is evident that debtors are aware of the delay in the High Court and are taking advantage thereof in order to gain time and delay their creditors. The result is that the High Court may be said to be used to that extent as a means of defeating justice rather than of obtaining justice.

10. Again there is great delay for which many complaints are received from clients in the Miscellaneous Proceedings such as grant of Probates and Letters of Administration, the issue of Commissions, Petitions under the Companies Act etc.

11. Probably however the greatest and most serious delay is that which takes place in the Translators Office of the High Court. To obtain the translation of two or three words which the High Court require shall be translated by the Translators office takes 3 or 4 days. To obtain translation of longer documents is a matter of corresponding difficulty. If the records of the Translators office are examined it will be found that in most cases double fees have to be paid in order to obtain the translation in time to use it in Court. No doubt one of the reasons for delay in the Translators Office is the enormous increase in Criminal cases which require the services of the Translators Office thereby curtailing time for Civil work. As the public however are prepared to pay for their work in the Translators Office it is submitted that it is right that this inconvenience to the public should be brought to the notice of the Government and an increase in the staff of the Translators office should be promptly made.

12. It is the opinion of the Society that litigation shows no sign of decreasing. In fact some indications are in the opposite direction. Trade has been very bad which has led to disputes which will prabably result in litigation. One firm who is a member of this society informs the Society that whereas the average number of bills of exchange noted by them in six months was between 20 or 30 for the

last year, the corresponding number was 404. These are all debts which the debtors for one reason or other are refusing to meet. Of course all of these will not result in the litigation, but many of them in all probability will end in an appeal to the High Court.

13. This Society hears with dismay that Government desire there should be retrenchment in the staff of the High Court. Information that an enquiry to this effect was made was only received by the Society after the above mentioned General meeting had been called and the resolution passed. The Society strongly urge that not only is it impossible to cut down the staff of the High Court, but it is urgently necessary to increase the staff.

14. It is desired to emphasise that the Society have no complaint whatever to make against the Prothonotary of the High Court and his present staff. The Society consider that they do what it is for them to do in coping with the enormous increase of work but it it is impossible to expect them to continue working at the exceptionally high pressure required in order to cope with the increase in litigation and the work is bound to fall into arrear as it has done.

15. This Society consider that a second Assistant Prothonotary should be appointed to whom the Prothonotary might delegate part of his duties and the appointment of another Deputy Registrar is required and to the office staff including that of the Translators Office and the Sheriffs office it would appear that an increase by 9 or 10 clerks is required in order to cope with the present volume of work. The Society consider that the suggested increase in the staff of the Prothonotarys offices is essential and more than justified whether considered from the point of view of the increase in the number of cases, the increase in the number of Courts sitting or the increase in Court fees received or upon these bases taken together.

16. While the Society do not consider that it is within the Societys province to formulate how the High Court offices should be reorganised in order to provide the increased office accommodation which is necessary for the Prothonotary Department yet since representa-

tions such as these should be made upon a constructive rather than a purely critical basis, it is suggested that a practical course would be to allocate to the Prothonotarys department the large premises at present occupied by the Advocate General and accommodate him in some other chambers e. g. those of the administrator General whose duties do not necessarily confine him within the precincts of the High Court. Similarly or alternatively the Office of the Sub-Registrar of Assurance might be moved away from the High Court and used for the requirements of the High Court.

17. The Society therefore earnestly trusts that the representation be taken into serious consideration and that Government may realise the urgency and importance of the matter with a view to speedily arranging for the necessary provisions to satisfy the requirements of the case.

And your Petitioners as in duty bound will ever pray.

No. T. 697 of 6th July 1923.

From Chamber to the Government of Bombay, Legislative Department.

The attention of the Committee of this Chamber has been drawn to the inordinate delays in the matter of commercial litigation in the High Court of Bombay. They are informed that these delays are primarily due to the paucity of the staff in the office of the Prothonotary in connection with which a memorial has already been submitted by the Bombay Incoporated Law Society to His Excellency the Governor in Council. It is a matter of common knowledge that litigation has increased very much recently. Up to the year 1918 the number of cases filed in the High Court may be said to have averaged 1600 per annum. In 1919 and 1920, the two years following the War the number of cases rose to 3700 in each year and in 1921 this rose to 5434. In other words since 1918 the number of cases filed has increased threefold. A large number of cases are commer-

cial and thus affect the commercial community. Any delays thus in litigation affect adversely the interests of the commercial community. The Honourable Sir Purshotmadas Thakurdas, Kt., C. I. E., M. B. E., speaking at the Third Quarterly General Meeting of this Chamber on the 28th October 1922 emphasised this aspect of the question very strongly. He said: "The unexpected and grave depression in commerce has led to a considerable increase in litigation of the City. I understand that in spite of the addition of a Special Judge in our High Court here, the congestion is very heavy, and it may take an ordinary suit filed to-day more than two years to come up for hearing in due course. As the majority of the suits that contribute to the congestion on the Boards of the High Court are commercial, a state of things such as this cannot lead to prompt disposal of this aftermath of the boom period. You, who are intimate with the necessity to the commercial community of avoiding law courts as far as possible, can easily realise what a condition like this may mean to the community if justice has to be awaited for as much as two years. Those who can avoid payment under the pretext of a grievance or any legal quibble which must be thrashed out in the High Court are thus able to gain time for a period of two years. In fact I may go so far as to say that a state of things like this may and does encourage litigation in so far as it gives time to a person either unable or unwilling to meet his liabilities." In view of all these circumstances my Committee beg to approach the Government supporting strongly the memorial which has already been addressed to His Excellency the Governor in Council by the Bombay Incoporated Law Society with a request that steps will be taken at once to remedy the grievances of the commercial public with regard to the inordinate delays in litigation.

No. 1764 C. of 13th July 1923.

From the Government of Bombay, Home Department to Chamber.

Subject :—Delays in the administration of justice in the High Court of Bombay.

With reference to your letter No. T. 697, dated the 6th July 1923, to the Secretary, Legislative Department, on the subject noted above, I am directed to state that the High Court Bench has recently been strengthened by the creation of an additional judgeship. In addition a Bill to extend the jurisdiction of the Small Cause Court, Bombay, has been drafted which is expected to relieve considerably the pressure of work in the High Court.

APPENDIX 81.

CROP FORECASTS.

No. 8625 A. S., of 11th July 1923.

From the Director-General of Commercial Intelligence, to Chamber.

Subject :—Crop forecasts.

I have the honour to address you in connection with the attached copy of my letter of the 17th January last.

In order to make the subject clear I will first of all outline briefly the general position. As you are aware, the budget allotment for Government of India statistics has been cut down, in accordance with the recommendation of the Inchcape Committee, from

Rs. 1,64,000 to Rs. 93,000. In order to meet this cut drastic retrenchments in every direction have been necessary, the staff employed on statistical work has been considerably reduced and every effort is being made to put all statistical publications as nearly as possible on to a paying basis. As regards publications the Government of India are concentrating for the most part on the Sea-borne Trade and Statistical Abstracts and the Indian Trade Journal, the latter being utilised for the publication of miscellaneous and occasional statistical information including the crop forecasts.

A certain number of business firms have stated that publication of the crop forecasts as separate leaflets is more convenient to them than publication in the Journal, and the Government of India are quite willing to meet this demand provided that the cost of the forecasts including printing and postage is entirely covered by subscriptions of which payment for the next three years is guaranteed by your Chamber or other recognised Trade Associations. In the second enclosure to this letter I have detailed the cost of each set of forecasts. I would request you kindly to let me know for what amounts, in each case your Chamber is prepared to be responsible. If you will send me lists of members with their addresses and the names of the crop forecasts they require, leaflets will be posted direct to them as soon as they are printed. In the event of the sum-total of the guarantees offered for any set of forecasts by the various bodies addressed exceeding the cost mentioned in the enclosure all guarantees will be reduced proportionately, but arrangements will not be made for the supply of any leaflets for which adequate guarantees for the next three years are not forthcoming. Subscriptions will be accepted for complete sets of forecasts for each crop and will be payable annually in advance.

I would add that any firms who apply to me direct for the supply of these leaflets will be referred to their Chambers or Trade Associations. If they are not members of such a body, it is proposed to charge them a considerably higher rate of subscription than that payable by members of guarantor bodies.

I attach also, for your information, a list of the other bodies whom I have addressed on this subject.

(Copy).

From Director-General of Commercial Intelligence, to Chamber.

Subject :—Publication of All-India Crop forecast.

I have the honour to say that after a careful examination of the question the Government of India have decided, in the interests of economy ond efficiency, to discontinue the publication of the All-India forecast as separate slips and to publish them only in the Indian Trade Journal. It has been decided also to publish provincial forecasts in the same publication as soon as received and in advance of the publication of the All-India forecasts. By this means information of importance will frequently be available to parties interested before the collection of the material for the all-India forecasts has been completed, and the present duplication of publication of the latter both in the Journal and as separate slips will be avoided.

2. In case you do not read the Journal at present, I would add that it is obtainable from the Superintendent of Government Printing, India, 8, Hastings Street, Calcutta, for an annual subscription of Rs. 13 including postage.

CROP FORECAST COSTS.

No. of forecasts per year.	Crop.	Cost in rupees per year.
		Rs.
5	Wheat	650
5	Cotton	600
3	Rice	350
4	Sesamum	350
3	Winter oilseeds	350
3	Sugarcane	200
2	Indigo	200
2	Groundnut	150
	Total	2,900 p.a.

NOTE—The above figures cover any n umber of copies not exceeding five hundred in each case. But to each figure should be added cost of postage according to the number of copies supplied.

Telegram from Chamber to the Director General of Commercial Intelligence, India, Calcutta.

Dated 16th July 1923.

"Your letter 11th instant No. 8625. Please state amount individual subscription separate forecasts as well as also all forecasts collectively. Inchambu."

No. 8852, of 17th July 1923.

From the Director-General of Commercial Intelligence, to Chamber.

I have the honour to acknowledge the receipt of your telegram of yesterday's date :—

> "Your letter 11th instant No. 8625. Please state amount individual subscription separate forecasts as also all forecasts collectively".

Individual subscriptions will be a matter of determination by each Chamber in relation to its members. Provided that the necessary subscriptions are forthcoming from Chambers of Commerce and other responsible trade associations, the forecasts will be issued, at the option of the guarantor bodies, either direct to them or to firms whose names and addresses have been sent in by them. Each body will be responsible for the payment of a lump sum in respect of each forecast it requires, but it will be its own affair what rate of subscription it charges to its own members

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No. T 801, of 27th July 1923.

From Chamber to the Director General of Commercial Intelligence, India, Calcutta.

With reference to your letter No. 8852, dated the 17th instant, I am directed by my Committee to inform you that it is not possible for them to act up to the suggestions contained in your letter under reply.

No. 12114 of 2nd November 1923.

From Director General of Commercial Intelligence to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Crop Forecasts.

I have the honour to acknowledge the receipt of your letter No, 784-A, C, dated the 5thOctober 1923, in which you inform me that the offer of the Government of India, communicated in my letter No, 8624 A.S. of the 11th July 1923, to provide copies of the All-India crop forecasts as separate leaflets provided that guarantees are forthcoming to cover their cost, as detailed in that letter, has not been taken up by your Association or its constituent Chambers. As other Trade Associations addressed are similarly not prepared to take it up, the forecasts will continue to be published as at present, namely, in the Indian Trade Journal and the press.

I would add, however that I am prepared to send telegrams to any of your constituent chambers giving the following details of any crop forecasts in which they are interested, provided that they will meet the telegraphic charges incurred :—

Area ... { Current year
Previous year
Five years' average,

Yield ... { Current year / Previous year / Five years' average } (when available)

Such telegrams will be despatched as soon as the forecast to which they relate has been published.

It may also be of interest to members of your Chambers to know that special arrangements have been made for the supply separately of the particular number of the Journal in which All-India crop forecasts appear. As you are aware, the annual subscription to the Journal, inclusive of postage, is Rs. 13 in India or Rs. 18 overseas, and separate copies are obtainable at a cost of four annas plus postage (or one rupee plus postage for back numbers). If any firms or individuals wish to receive only those issues of the Journal which contain particular crop forecasts their name will be noted for the supply of these as soon as they are published, provided that their cost has been deposited in advance. It is desirable, however, that firms or individuals who decide to avail themselves of this arrangement should realise that there appear in the one or two issues of the Journal prior to the publication of the All-India forecast corresponding forecasts of provinces and Indian States. It frequently happens that although the All-India forecast is held up for the figures from certain provinces or States the individual forecasts which appear in the earlier issue give a valuable indication to the total figures for the whole of India. And I think that firms who deal extensively in any of the commodities for which All-India forecasts are compiled will find it to their advantage to take the Journal regularly in order to receive this earlier information, though it may serve their purpose to put their names on the lists for the supply only of issues containing All-India forecasts for the additional copies which they require for distribution to branches or correspondents.

No. 12115.

Copy forwarded to the Secretary, Indian Merchants' Chamber, Shale Building, 20, Bank Street, Fort, Bombay.

I shall be glad to include your Chamber in the arrangement indicated in the second paragraph if that is desired.

No. T 1219 of 20th November 1923.

From Chamber to the Director-General of Commercial Intelligence, Calcutta.

With reference to your letter No. 12115 dated the 2nd instant enclosing copy of your letter No. 12114 of the same date addressed to the Secretary, The Associated Chambers of Commerce of India and Ceylon, Bombay, I am directed by my Committee to say that this Chamber does not wish to be included in the arrangement indicated in the second paragraph of your letter No. 12114 of the 2nd instant.

APPENDIX 82.

EMPLOYERS' DELEGATE AT THE INTERNATIONAL LABOUR CONFERENCE.

No. T-784. of 20th July 1923.

From Chamber to the Government of India, Department of Commerce.

The Government of India are inviting, my Committee are informed, some Chambers of Commerce to make suggestions regarding a representative of employers to represent their interests at the Sessions of the International Labour Conference every year at

Geneva. The Committee of this Chamber are surprised that they have not been invited on such occasions. I am directed by them to request you to be pleased to inform them of the reason why this Chamber, which is one of the biggest and most influential bodies of employers in the country, has not been asked, as some other institutions are, to make suggestions in connection with the International Labour Conference.

No. L–1136 of 4th August 1923.

From the Government of India, Department of Industries and Labour to Chamber.

Subject:—Fifth Sessions of the International Labour Conference.

With reference to your letter No. T–784, dated the 20th July 1923, I am directed to inform you that the practice of the Government of India has been to issue a press communique calling for suggestions for the nomination of non-Government delegates to the International Labour Conference and that they have not considered it necessary to address any employers' or workers' associations on this subject formally.

No. T–890, of 14th August 1923.

D-O letter from Sir Fazulbhoy Currimbhoy, President of the Chamber to the Hon. Mr. A. C. Chatterjee, Member-in-charge, Department of Industries and Labour, Government of India.

Some time back my Committee wrote to your Department inquiring why this Chamber which was one of the biggest and most influential bodies of employers in the country had not been asked, as some other institutions were, to make suggestions regarding representative of employers at the International Labour Conference.

To this a reply was recently received that the practice of the Government of India had been to issue a press communique calling for suggestions for the nomination of non-Government delegates to the International Labour Conference and that they had not considered it necessary to address any employers' or workers' associations on this subject formally. I am enclosing extracts from the proceedings of the Punjab and Bengal Chambers of Commerce as also of the Bombay Mill Owners' Association which will show how the two former Chambers were actually invited by their respective Provincial Governments while the Bombay Mill Owners' Association was approached similarly by the Government of India with a D. O. letter. Surely all this is not the same as "they (Government of India) have not considered it necessary to address any employers' or workers' associations on this subject formally" as mentioned in the reply of your Department. Literally perhaps your official letter was correct but my Committee consider it official evasion for which there was no ground. They do not understand why there should be all this secretiveness about this procedure and want of uniformity with regard to different institutions. As long as there is not an All-India Federation of Employers the Government of India may be well advised to consult principal Chambers of Commerce and Millowners' Associations.

No. L. 1136 of 23rd August, 1923.

Reply to above.

I am in receipt of your letter No. T. 890, dated the 14th August, 1923, regarding the nomination of an employers' representative for the International Labour Conference.

2. We did not ask local Governments to consult employers' or workers' organisations. It is true that we wrote a demi-official letter to Mr. Kay, Chairman of the Bombay Millowners' Association, drawing his attention to our press communique of the 8th May, 1923 and asking him if the Association could suggest any name for the employers' delegate after consulting, if possible, other leading asso-

ciations of employers interested in factories, and I will explain why we did so.

3. As you are no doubt aware, we addressed local Governments in our letter No. L–831, dated the 25th May, 1920 (a relevant extract of which is enclosed herewith) suggesting that the different employers' associations should be invited to take steps to set up, in co-operation with each other, some machinery whereby it might be possible to secure nominations of employers' delegates which would be representative of all interests concerned. In March 1921, we were informed that the Bombay Millowners' Association was the only body that had made definite proposals to give effect to our suggestion and that, in consultation with other organisations of employers, it had appointed a committee to prepare a suitable scheme for the formation of an all-India Federation of Associations of Employers and to draw up the necessary constitution and rules. I think you will agree that as the Millowners' Association had taken the lead in the promotion of the proposed federation, it was not unnatural that we should write to them demi-officially, especially as we had no direct information as to the progress of the scheme for a federation. We were merely anxious to get a nomination that would be representative of the Associations interested in the Agenda of this year's Conference, which relates solely to the general principles for the organisation of factory inspection. The suggestion contained in the last sentence of your letter viz., that, as long as there is not an all-India Federation of Employers, the Government of India should consult principal Chambers of Commerce and Millowners' Associations, will however, be considered.

4. I may add that the Agenda for this year's Conference concerns only the employers of factory labour and that such of the members of your Chamber as are large employers of factory labour, belong to the Millowners' Association and are therefore represented by that body.

Extract from a letter No. L-831, dated Simla, the 25th May 1920 from the Secretary, Board of Industries and Munitions, to local Governments.

6. In the opinion of the Government of India it is very desirable that the different employers' associations in India should devise machinery by means of which they can elect a common representative for the whole of India for the employers' panel under Article 412 of the Treaty of Peace as well as delegates and advisers for the General Conference under Article 389, of the Treaty. I am accordingly to request that

H. E. the Governor in Council

with the permission of H. H. the Lieut Governor (in Council)

The Hon'ble the Chief Commissioner

Presidency

the employers' associations, if any, in the Province of.....may be

Administration

addressed in regard to the matter and they may be invited to take steps to set up, in cooperation with each other, some machinery whereby it will be possible to secure in the case of future selections, a nomination which would be representative of all interests concerned.

No. T. 1050 of 5th October 1923.

From Chamber to the Government of India, Department of Industries and Labour.

With reference to the correspondence ending with the letter of the Hon'ble Member in charge of your department dated 23rd August 1923, No. D. O. 1136-F, I am directed by my Committee to convey to the Government of India their opinion that in future only an Indian Employer should be nominated as representative of employers to the International Labour Conference at Geneva. Every member-country of the International Labour Conference is known to send its own

nationals as representatives to this International Conference and there is no reason why this country should be made an exception. Indian manufacturers and employers have large vested interests and though there may not be an All-India Federation of Employers as yet the selection of Indian employers to represent these interests will not be a difficult problem at all. My Committee beg therefore to urge this suggestion with all the emphasis they can command and hope that it will be adopted by the Government of India henceforward.

No. L-1136 of 12th October 1923.

From the Government of India, Department of Industries and Labour to Chamber.

Subject :—Nomination of an Employers' Delegate to the International Labour Conference.

I am directed to acknowledge the receipt of your letter No. T-1050, dated the 5th October 1923, on the above noted subject and to say that the suggestion contained therein will be taken into consideration when the time comes to make nominations to future conferences.

APPENDIX 83.

PROPOSAL TO DISCONTINUE EMPIRE DAY AS A HOLIDAY.

Dated 6th December 1923.

From the Government of Bombay, Finance Department to Chamber.

Subject :—Holiday : Empire Day.

I am directed to forward, for favour of opinion of your Chamber a copy of Government Resolution No. 182 dated 6th December 1923, on the subject mentioned above.

Government of Bombay, Finance Department, Resolution No. 182 of 6th December 1923.

Letter from the Government of India, Home Department, No. D. 5130—Public dated 27th November 1923 :—

I am directed to invite a reference to the correspondence ending with the Home Department *letter No. D. 2948, dated the 14th January 1922, on the subject mentioned above, and to forward, for the information of His Excellency the Governor in Council, a copy of a letter No. 24049-Genl., dated the 16th October 1923, from the Government of the Punjab. It is stated that in the opinion of that Government "Empire Day" could suitably be omitted from the list of holidays in the Punjab and that they accordingly propose to do so if the Government of India see no objection.

2. Although the decision that the 24th of May should be observed every year as "Empire Day" in India and notified as a public holiday under the Negotiable Instruments Act, 1881, was arrived at only about two years ago after consultation with local Governments, the Government of India have, in view of the Punjab Government's present proposal, further considered the matter. They observe that the "Empire Day" has not yet become one of the recognised holidays in England, and that it falls on a date near to that on which the King Emperor's birth-day is celebrated. In these circumstances and in view of the fact that there are already many holidays in India they are inclined to consider that the question deserves re-examination. Before, however, coming to a decision they would be glad to be favoured with the views of His Excellency the Governor in Council as to the value which is attached to this holiday in the Bombay Presidency and the advisability of retaining it.

3. I am to request that a reply to this letter be sent at a very early date in order to enable the Government of India to communicate their decision as early as possible and if possible before the publication of the lists of holidays for 1924."

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*Printed in the preamble of Government Resolution No. 182 dated 30-1-1922.

Copy of a letter from the offg. Chief Secretary to the Government of the Punjab, to the Secretary to the Government of India, Home Department, No. 24049-Genl., dated the 16th October 1923.

I am directed to invite a reference to Government of India letter No. D. 2948–Public dated the 14th January 1922, under the orders contained in which "Empire Day" is observed as a public holiday under theNegotiable Instruments Act, and is notified annually as such in the list of Public Holidays published at the beginning of each year.

2. The Governor in Council has recently had under consideration the possibility of reducing the number of public holidays in the Punjab, which is at present excessive. He believes that the decision of the Government of India with regard to the observance of "Empire Day" was based, not upon the belief that the day should necessarily be observed as a holiday, but on the consideration that, as it was in practice observed as such, it was desirable that it should be included in the regular list of holidays, rather than that it should be declared to be a holiday at short notice. I am, in this connection, to invite a reference to the letter No. 1086/32 of 1921 dated 27th May 1921 from Bombay Chamber of Commerce to the Government of India, in which the question of the observance of Empire Day as a regular public holiday was originally raised.

3. The Governor in Council considers that "Empire Day" could suitably be omitted from the list of Public Holidays in the Punjab, and it is accordingly proposed, in the circumstances explained in the preceding paragraph, to omit it from the list in future unless the Government of India see any objection.

Resolution:—Copies of the letter from the Government of India and its accompaniment should be forwarded to the following officers and bodies and they may be requested to furnish their opinion on the letter by the 31st December 1923:—

The Commissioner in Sind, The Commissioner of Divisions, The Political Resident, Aden, The Deputy Controller of

the Currency, Bombay, The Director of Public Instruction, The Agent to the Governor in Kathiawar, The Secretary, Chamber of Commerce, Bombay, The Chairman, Associated Exchange Banks, Bombay, The Chairman, Indian Merchants' Chamber and Bureau, Bombay, The Chairman, Chamber of Commerce, Karachi, The Secretary and Treasurer, Imperial Bank of India, Bombay Branch.

No. T. 1405 of 17th December 1923.

From Chamber to the Government of Bombay, Finance Department.

With reference to your letter dated the 6th instant enclosing a copy of Government resolution No. 182 dated 6th December 1923, I am directed by my Committee to inform you that they agree with the opinion expressed by the Government of the Punjab that Empire Day could suitably be omitted from the list of holidays.

APPENDIX 84.

PROTEST AGAINST SIR REGINALD CRADDOCK'S JOINING THE BOARD OF DIRECTORS OF THE CENTRAL PROVINCES PROSPECTING AND MINING SYNDICATE.

No. T-851, of 8th August 1923.

From Chamber to the Government of India, Home Department.

I am directed by the Committee of this Chamber to enclose herewith copy of a letter received by them from a member of this Chamber. It will be seen from a cutting from the Times of India,

Engineering Supplement, of the 20th July 1923, copy of which is enclosed herewith for ready reference, that Sir Reginald Craddock, K.C.I.E., Late Lt.-Governor of Burma, and formerly Chief Commissioner of the Central Provinces, has joined the Board of Directors of the Central Provinces Prospecting and Mining Syndicate, an organisation which controls some of the best manganese deposits in the Province. My Committee beg to approach the Government of India purely on the question of principles involved in this issue as to whether it is deemed by the Government of India to be right and fair that an Officer occupying one of the highest positions under the Crown should be allowed on his retirement to join commercial or industrial syndicates in the very Province in which he was an Administrator and was naturally concerned with giving concessions, etc. My Committee will feel much obliged if the Government of India will be pleased to let them know if they have got any policy with regard to such incidents and if so, what is that policy.

Dated 23rd July 1923.

From a member of the Chamber to Chamber.

I beg to refer you to the last para of an article on Engineering in the C. P., in the Times of India Engineering Supplement of 20th instant. Let me quote a sentence:—

> "I understand that Sir Reginald Craddock K. C. I. E., late "Lt., Governor of Burma, and formerly chief Commissioner of the Central Provinces, has joined the Board of Directors of the Central Provinces Prospecting & Mining Syndicate, an organisation which controls some of the best manganese deposits in the Province."

The point I wish the Council of the Chamber to take up is whether a member of the 'Steel frame' who took no doubt, an active part in grant of concessions and even in the tranfer of German-owed manganese mines to the Syndicate during the War, can after his retirement identify himself in the management of the Syndicate? Is

he entitled to his pensions when we find him identifying himself in business concerns that came into existence by overt and covert concessions granted by himself and his colleagues of the 'Steel frame'?

I know another instance in my Province of Bihar & Orissa, where one gentleman of the 'Steel frame' managed to remain as Political Agent of a group of Oriya Feudatory States for a period of 12 years, reigned as an Emperor and managed to tranfer most of the mineral rights of these States to a Syndicate in Calcutta. A year ago this worthy gentleman resigned from the Civil Service and report goes that he will be coming back to India as a member of the Syndicate to which he transfered untold wealth of Orissa for a song.

Is he entitled to his pensions?

Can not the Chamber take up these questions, expose those faithful servants of India so that India is not fleeced even to-day as it was in the days of Clive.

No. F- 411-23 Public of the 14th September 1923.

From the Government of India, Home Department to Chamber.

Subject:—Appointment of Sir Reginald Craddock as Director of the Central Provinces Prospecting and Mining Syndicate.

With reference to your letter No. T-851, dated the 8th August 1923, I am directed to say that the Government of India, in their resolution No. 1140, dated the 21st April 1920, which was published in the Gazette of India (copy enclosed), while deciding that it was not necessary to lay down a definite rule, stated that it was desirable that retired Government servants before accepting directorships, or agencies of, or employment by any company or firm or individual engaged in commercial business or associated with the management of land in India, should obtain either the consent of the Government of

India, or if the Company was managed in London, the consent of the Secretary of State. As the Central Provinces Prospecting Syndicate is managed in England, Sir Reginald Craddock applied for and received the permission of the Secretary of State for India to accept its Directorship rendered vacant by the death of Sir Harold Stuart.

It is clear that in granting or withholding permission Government form its decision on the circumstances of each case. I am to remind the Indian Merchants Chamber that Sir Reginald Craddock severed his connection with the Central Provinces in 1911.

No. 1140, dated Simla, the 21st April 1920.

Resolution by the Government of India in the Home Department.

The attention of the Government of India has been drawn to a rule laid down by the Colonial Office that an Officer who has retired from the Colonial service may not accept a directorate of a company the principal part of whose business is directly concerned with the Colony or Protectorate in which he has served, or employment in the Colony or Protectorate under such a company, without obtaining the previous approval of the Governor; and they have under consideration the question whether it is necessary to lay down some similar rule for retired officers of the Indian services.

2. After consultation with local Governments and careful consideration of their views, the Government of India have come to the conclusion that, while it is not necessary at the present time to lay down a definite rule it is desirable that retired Government servants, especially gazetted officers, before accepting directorships, partnerships or agencies of, or employment by any company or firm or individual engaged in commercial business or associated with the management of land in India, should either obtain the consent of the Government of India, or if the company is managed in London, the consent of the Secretary of State. The Government of India believe that this

procedure will conduce alike to the interest of the officers concerned and to those of the services generally, and are prepared to leave it to the good sense and loyalty of their officers to observe the procedure now suggested.

ORDER.—Ordered that a copy of this Resolution be forwarded to local Governments and Administrations, to all Departments of the Government of India for information, and that it be published in the *Gazette of India* for general information.

APPENDIX 85.

APPOINTMENT OF MESSRS. W. W. HOWARD BROTHERS OF LONDON AS AGENTS FOR THE SALE OF IMPERIAL FORESTRY TIMBERS.

No. T-1098 of 16th October 1923.

From Chamber to the Government of India, Department of Education, Health and Lands.

My Committee have been informed that the Government of India have recently appointed Messrs. W. W. Howard Brothers of London as agents for the sale of Imperial Forestry timbers. In this connection I am directed by my Committee to request you to supply them with full information as to the terms of such appointment. My Committee would further like to be informed as to whether there are any special reasons which have led the Government of India to make this appointment as also whether there are any particular advantages of this appointment.

No. 238-C of 21st December, 1923.

From the Government of India, Department of Education, Health and Lands to Chamber.

With reference to your letter dated the 16th October 1923, I am directed to say that the connection of Messrs. W. W. Howards with the Government of India is not of recent date. As early as 1915 the firm were entrusted with the sale in Great Britain on a Commission basis of certain consignments of Government timber from the Andamans and gave satisfaction in the conduct of these transactions. After the war it was decided to utilise their services for developing trade in various kinds of Indian woods which were little known in Europe and of which the sale could not be pushed without the help of some reliable agent of standing and experience. Accordingly Messrs. Howard Brothers were appointed sole agents for the sale of all descriptions of Indian timber, whether produced in Imperial or provincial forests with effect from the 1st of January 1919. In consideration of a commission which is included in the prices quoted by Government, they are required to secure orders on the most profitable terms. All contracts are closed in the name of the Principal and the agents guarantee due performance thereof by the buyers. The agents also provide storage for three months stock at charges which are regulated according to the Port of London Authority's regulations London Charge Schedule. These terms are to be operative for a period of seven years, subject to determination by either party on one year's notice.

APPENDIX 86.

ENHANCEMENT OF FEES FOR ENQUIRING INTO COMPLAINTS REGARDING DELIVERIES OR PAYMENT OF VALUE PAYABLE ARTICLES.

No. JV 19 of 26th January 1923.

From the Post Master General, Bombay to Chamber.

I have the honour to request the attention of your Chamber to para 144 of the Post and Telegraph Guide under which the sender or addressee of a Value Payable article is required to pay a fee of one anna if he desires to have an enquiry made regarding the delivery of or payment for a value payable article. Further, the complainant is entitled under the same para to have the amount of enquiry fee refunded if the complaint is found to be well-grounded.

2. This low enquiry fee of one anna was prescribed as long ago as 1912. It has been the experience of this Department that many traders who supply goods regularly by the V.P. system do not keep correct and regular records and accounts up to date and when they find any V.P. item unadjusted in their books, they pay the small sum of one anna and make the Post office supply them the information required. Enquiries in such cases have often to be very prolonged and exhaustive and experience has shown that in the majority of cases, the complaints are unfounded. Statistics taken in one of the big Post Offices in India during three months showed that out of 2074 V.P. complaints, in as many as 1405 cases, the V.P. articles had been duly delivered to the addressees and the money orders paid to the senders. The cost of such enquiries is very great and in order to discourage the making of groundless complaints and to make the enquiry fee

somewhat commensurate with the cost involved in the enquiry, it has been proposed to raise the inquiry fee from anna one to annas four. As the fee is to be refunded if a complaint is found to be well-grounded, there would be no real hardship to the general public or the commercial community.

3. I have the honour to request you kindly to obtain and communicate to me at an early date the valued opinion of your Chamber on the proposal. A reply may kindly be sent by the 20th February 1923, if possible.

No, T 1/94, of 5th February 1923.

From Chamber to the Post-Master General, Bombay Circle.

With reference to your letter No. JV. 19, dated 26th January 1923, I am directed by the Committee to say that they approve of the proposal to raise the fee from 1 anna to 4 annas for enquiring into the complaints regarding the delivery of or the payment for value payable articles.

APPENDIX 87.

LATE DELIVERY OF FOREIGN MAILS IN BOMBAY.

No. T. 999 of 17th September 1923.

From Chamber to the Post-Master General, Bombay.

My Committee will feel obliged if you will kindly let them know after how many hours foreign mail is delivered in Bombay after the mail boat is signalled.

No. MS 11 of 24th September 1923.

From the Post-Master General, Bombay to Chamber.

In reply to your letter No. T 999 dated the 17th September 1923, I have the honour to say that the delivery of inward foreign mails is made about six and a half hours after the mail steamer is signalled. The mails are landed at the Ballard Pier about 2 hours after the steamer is signalled. In other words, the mails are issued for delivery 4½ hours after they are received.

APPENDIX 88.

PROPOSAL TO SELL NON-JUDICIAL STAMPS THROUGH POST OFFICES.

No. 5151 of 10th December 1923.

From the Superintendent of Stamps, Bombay to Chamber.

I have the honour to state that the present stamp vending arrangements and the possibility of offering greater facilities to the Public in connection with the purchase of stamps required by them, is under the consideration of Government. In addition to the sale of all kinds of stamps at the General Stamp Office, Town Hall, Bombay, the Licensed Stamp Vendors in this City sell Non-Judicial stamped papers and Adhesive labels, viz. Foreign Bill, Share Transfer and Insurance, at the following centres:—

(1) Abdul Rehman Street.

(2) Shaik Memon Street (Mumbadevi).

(3) Elphinstone Circle.

(4) Dalal Street.

(5) Parsee Bazar Street

(6) Oak Lane

(7) Kalbadevi.

(8) Nal Bazar.

(9) Dadar.

2. As it is probable that the sale of the Non-Judicial stamps noted above, if carried on through the Post Offices in the above localities, will be more convenient to the Public than the sales through the Licensed Stamp Vendors or equally convenient and will also be more economical to Public funds, I have the honour to request that you will be so good as to favour me with your opinion as to whether the sale of non-Judicial stamps through the Post Office agency will be more or equally convenient to the commercial community and to the Public.

3. I request the favour of an early reply.

No. T. 1418 of 19th December 1923.

From Chamber to the Superintendent of Stamps, Bombay.

With reference to your letter No. 5151 dated the 10th instant with regard to the Stamp vending arrangements, I am directed by my Committee to send their views hereby.

My Committee are of opinion that the present system of selling non-judicial stamps through licensed Stamp Vendors affords facilities to the commercial community and the general public, as they can obtain such stamps even out of business hours and even sometimes on holidays. But if the sale of those stamps through Post offices is likely to be more economical to public funds as stated in your letter under reply, my Committee beg to suggest that such sale through Post offices may be introduced side by side with the present arrangement of sale through licensed Vendors.

APPENDIX 89.

ORGANIZING COMMITTEE FOR THE BRITISH EMPIRE EXHIBITION.

No. C. 443-D. of 12th February 1923.

From the Government of Bombay, Revenue Department to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to state that it has been decided to constitute an Organising Committee in pursuance of the appended Resolution passed at the December sessions of the Legislative Council. The Government of Bombay proposes that a representative of the Chamber should be one of the members of the Committee. I am to request you to nominate a representative of your Chamber.

2. I am also to request that those of your members, who desire to participate in the British Empire Exhibition, may be asked to address the Director of Industries regarding the space available, terms, etc., at an early date.

Resolution moved by Dr. R. P. Paranjpye, M. L. C., and passed by the Legislative Council.

"This Council recommends to Government that the Bombay Presidency do participate in the British Empire Exhibition to be held in London in 1924, that gross expenditure of Rs. 1,80,000, involving net expenditure not exceeding one lakh, be incurred and that funds be provided for the purpose as required in the course of the next two years and that an organising committee be appointed to co-operate with the Director of Industries in carrying out this resolution."

No. T. 146 of 24th February 1923.

From Chamber to the Government of Bombay, Revenue Department.

With reference to your letter No. C. 443. D., dated the 12th instant, I am directed by my Committee to inform you that Mr. J. K. Metha, the Secretary, will represent this Chamber on the organising Committee appointed by the Government of Bombay in pursuance of the Resolution passed at the December sessions of the Bombay Legislative Council regarding British Empire Exhibition.

No. T. 960 of 4th September 1923.

From Mr. J. K. Mehta, Secretary, The Indian Merchants' Chamber to the Government of Bombay, Revenue Department.

The Committee of this Chamber have resolved, as a protest against the unjust Kenya decision of the British Cabinet, not to participate in the forthcoming British Empire Exhibition. They, therefore, hereby withdraw their representative, that is myself, from the Organization Committee for the Exhibition appointed by the Government of Bombay.

No. 4437-D, of 17th September 1923.

From the Government of Bombay, General Department, to Mr. J. K. Mehta, Secretary, The Indian Merchants' Chamber.

With reference to your letter no. T. 960 dated the 4th September 1923, I am directed by the Government of Bombay (Transferred Departments) to say that your resignation of membership on the local Advisory Committee of the British Empire Exhibition has been accepted by them.

APPENDIX 90.

CHAMBER'S REPRESENTATIVE ON THE INDIAN CENTRAL COTTON COMMITTEE.

No. 314 of 3rd April 1923.

From the Government of India, Department of Revenue and Agriculture to Chamber.

I am directed to refer to Section 4 (*iv*) of the Indian Cotton Cess Act, No. XIV of 1923, published in Part IV of the Gazette of India, dated the 24th March 1923, regarding the constitution of the Indian Central Cotton Committee and to request that the name of the gentleman whom it is decided to nominate as your representative to serve on the Committee may be communicated to the Government of India not later than one month from the date of issue of this letter.

No. T 343, of 11th April 1923.

From Chamber to the Government of India, Department of Revenue & Agriculture.

With reference to your letter No. 314 dated the 3rd instant, I beg to inform you that my Committee have nominated the Hon'ble Mr. Purshotamdas Thakurdas C. I. E; M. B. E., as the Chamber's representative on the Indian Central Cotton Committee.

APPENDIX 91.

NOMINATION OF CHAMBER'S REPRESENTATIVE ON THE BOARD OF DIRECTORS OF THE BOMBAY TELEPHONE COMPANY LIMITED.

Dated 6th November 1923.

From the Bombay Telephone Company Limited to Chamber.

We beg to advise you that in accordance with the provisions of Clause 4 of the Agreement between this Company and the Government of India, dated March 30th 1922, and reading as follows :—

> "……the Board of Directors of the Company which may subsequently be formed to carry on the undertaking shall include one duly qualified member of the Committee of the Bombay Chamber of Commerce and the Indian Merchants Chamber, Bombay, to be nominated by the Directors of the Company."

the Directors duly nominated the Hon'ble Mr. Phiroze C. Sethna, O. B. E., as the member of the Committee of your Chamber, and he was duly elected on June 28th 1923.

The directors suggest, should your Chamber have at any time any suggestions to make, that they might do so through their representative.

APPENDIX 92.

"AT HOME" TO SIR PURSHOTAMDAS THAKURDAS C. I. E, M.B.E., ON THE CONFERMENT OF KNIGHTHOOD ON HIM.

The Chairman and the Committee of the Chamber were "At Home" to members of the Chamber to offer their felicitations to Sir Purshotamdas Thakurdas C. I. E., M. B. E., on Wednesday, the 4th July 1923 on the conferment of Knighthood upon him by H. M. the King-Emperor. Mr. Frank Nelson, President of the Bombay Chamber of Commerce was also present on the occasion. Sir Fazulbhoy Currimbhoy, President of the Chamber made the following speech :—

Sir Fazulbhoy's speech.

Sir Purshotamdas and Gentlemen,

We are meeting on a very pleasant occasion which is to offer our felicitations to our friend the Honourable Sir Purshotamdas Thakurdas, Kt. C. I. E, M. B. E., on the recent conferment of Knighthood upon him by His Majesty the King Emperor. In honouring him the Government have honoured this Chamber and the Indian Commercial Community with which Sir Purshotamdas has been so intimately connected since the last two decades and more. It was he who with our other friend Mr. Manmohandas Ramji took a leading part in establishing this Chamber and bore the onerous responsibility of its Vice-President during the first six critical years of its life. He was then unanimously elected to take its helm for one year as President. Since then he was one of the most active and vigorous members of the Committee and I do not think I shall be doing any injustice to his other colleagues if I say that

during all these years he has played a splendid and noble part in the building up of this our institution and making it almost unique in the whole of India. It is the function of Chambers of Commerce to work as interpreters between the Government and the people and, I do not think I am wrong in saying, that this Chamber has fulfilled its mission very well. The Honourable Sir Purshotamdas was nominated as a member by the Government on two very important commissions; the Railway Committee and the Retrenchment Committee, and on both of these he voiced the feelings and opinions not only of this Chamber but of the Indian commercial community. As a member of the Railway Committee he was faced with a herculean task and yet he rose to the occasion and succeeded in carrying the popular fight for State Management to a successful issue. No one who has not gone deep into this question can realise what this fight has meant. It meant combatting against powerful vested interests with all the forces of Government and European commerce on their side. And yet the personality of Sir Purshotamdas was able to have the decision of the Railway Committee in favour of State Management and he was, perhaps, the happiest man in India when he found his labours successfully backed up even in the Indian Legislative Assembly. Such is the charm of his manners, however, that when this fight was finished even his direst opponents would not consider him in any way as their enemy but recognised in him a friend bent only upon achieving the progress of India in which both the European and Indian commercial communities are equally interested. His recent achievement as a member of the Retrenchment Committee is too well-known to you for me to dilate upon it. On his return from the United Kingdom whither he had gone as a member of the Railway Committee he was unanimously elected as President of the Indian Merchants' Chamber and during his second term of Presidentship he did all in his power to enhance the prestige of the Chamber. It was during the same period that he was successful in securing the co operation of the Anglo-Indian Chambers of Commerce to fight on a common issue viz, the necessity for retrenchment of expenditure of the Government of India and it was these labours of his which ultimately resulted in the appoint-

ment of the Retrenchment Committee. This Chamber is fortunate in having as one of its members a masterful and virile personality like that of Sir Purshotamdas. It is said that human ambitions are never satisfied and Sir Purshotamdas will excuse us, therefore, if we indulge in the hope that his services to this Chamber and the Indian commercial community will yet be on a still more extended scale during the critical times we are passing through. I have no doubt that he will respond to this ambition of ours for behind all his activities and behind all the honours which are now heaped upon his head there is always manifest a spirit of service, as was evidenced by his unassuming but sterling work during the three successive famines. With these words, Gentlemen, I wish him, on behalf of you all, a long and prosperous life with honours both from the Government and his grateful countrymen.

Sir Purshotamdas Thakurdas replied as follows:—

Sir Fazulbhoy and Gentlemen,

It would ordinarily be difficult for anybody under the circumstances of this afternoon to adequately reply to the good wishes that Sir Fazulbhoy and you gentlemen have expressed to-day for me. This becomes trebly difficult in my case owing to my not being accustomed to speak with any efficiency on such occasions. I would therefore request that you kindly accept the thought for the deed and overlook any omissions that I may make in the course of my reply.

The large gathering that I see around me here and the more than kind expressions that Sir Fazulbhoy has used in his references to me are such a great addition to the honour bestowed on me by the Government that they make me value the honour ever so much more. The identification of the Indian Merchants' Chamber and of the Commercial community as represented by them with my work and the approval that you, Sir, have given today to my humble work till now, make this day a red letter day in my life. I would hardly be accused of exaggeration if I add that one could hardly wish for a greater honour than the one that has been bestowed on

me by this gathering of my friends and by the cordiality of your references to me. Whatever little I may have been able to do for the Chamber till now, I assure you, has been a labour of love and I need hardly add that I will strive in the future to serve this body and the community concerned with the same enthusiasm as heretofore.

Sir Fazulbhoy has referred to my work on the Railway Committee and on the Inchcape Committee. Let me say at once that if my work on these Committees has resulted in any step forward for India, or if the Indian public has met with anything suitable to them in the reports of these two Committees, the credit for same should in the first instance and mainly be given to the illustrious Chairmen of these two Committees. The Indian Railway Committee had as its Chairman such a great and unchallengeable authority as Sir William Acworth, a person ripe in experience of railway matters, ripe in years and endowed with great tact. The majority decision of the Railway Committee in favour of State Management is mostly due to Sir William's conviction that under the circumstances nothing but state management, honest and true, and straight, was due to India. I would venture to add, that the fact that, of the five members, who voted for State Management on the Railway Committee, three were Englishmen, is by itself sufficient proof that there still does exist justice, pure and unalloyed, with men of the right sort from Great Britain. I think India owes an immense debt of gratitude to Sir William Acworth and to his two colleagues Messrs. James Tuke, and Hiley, for the fearless manner in which they stood by India's just aspiration, despite the petty-minded unpopularity that they may incur from certain quarters.

Regarding the Inchcape Committee, I there had the pleasure of working with Lord Inchcape, a person of the highest capacity, and a person who can truly be called an Empire Builder as far as a merchant can be. It is only fair that I should tell you that during the four months that we worked together in Delhi, Lord Inchcape strove in the best interests of India. If the Report of the Inchcape Committee has not met with the fullest approval of the Indian public the fault for ti

should not be laid at the door of either Lord Inchcape or of the Committee. Perhaps the fault may be found in the system that we were trying to set right. However, I will only add that not many years hence the Inchcape Committee's Report may be looked upon as one of the most valuable documents ever issued by any Committee in recent years, and I think that the Legislature of India will make the most of the several most useful suggestions made by Lord Inchcape and his colleagues.

Regarding the Joint Deputation to his Excellency the Viceroy last May although the original idea started with me, the credit for the fruition of it must be given to the Presidents of the Bengal and Bombay Chambers of Commerce, Sir Campbell Rhodes, and my friend Mr. Frank Nelson, whom I am glad to see present here today. It is these two British merchants' co-operation that made possible the unique occasion of a joint expression of opinion from the entire commercial community in India to the Government of India. Whilst on this subject I would very much like to express my conviction that the best interests of India can be served not by the two commercial communities—British and Indian in India keeping apart, but by their working together as far as possible. Unfortunately there is a deep-rooted idea in the minds of many that there is something incompatible between the interests of these two communities. I fully realise that there are several questions of vital importance on which opinions differ, but I am one of those that feel that instead of keeping apart, if only they came in closer touch and discussed these questions with the other side the progress must be fast and at least less delayed by avoidable misunderstandings. Given the right men on both sides, I am confident that the misunderstandings are bound to be cleared before long, but the first step in that direction would be closer contact and less prejudice against each other.

Towards the conclusion of your speech, Sir Fazulbhoy, you expressed certain ambitions on behalf of the Chamber and you gentlemen present here to-day. Life would be extremely dull and almost unbearable without something to wish and aspire to from day to day and year to year. I have not yet so far advanced in the art of selflessness

as to claim to have no aspirations. But I assure you that I can have no better aspiration than the one which you Sir Fazulbhoy have given expression to, viz. to serve my country and my fellow brethren of this land. Indeed it may not be considered conceit to say that this has been my aspiration ever since I started public work. But if my past career till now has met with your approval as signified by you to day I need hardly labour that point. I fully endorse the aspirations that you have set before me and I assure you that I will try and work up to it. The more I have seen of public life, the deeper I have gone into same, the more have I felt, not that I have done much, but certainly that there is so much that remains to be done. This itself is sufficient impetus to one to go overhead full speed as it were.

Before I conclude I would like to ask your indulgence to refer to one personal matter. I am extremely pleased and happy to see present at to-day's gathering my esteemed, what shall I call it except the familiar word uncle, Seth Narandas Purshotmdas, who was instrumental in bringing me to the commercial line. I am the son of a Solicitor and my father left me at the tender age of four years. After I graduated I was going to my father's firm to sign articles for the solicitors' line. Luckily for me Seth Narandas heard of it and he at once told me that one of the last wishes that my father had expressed before his death to him was that I was not to take to the legal line, but to the commercial line. This last wish of my father appealed to me without any further ado and I made up my mind to join the commercial line. Seth Narandas who was then retired from business attended the office for two years in order that I may be initiated in the commercial line and I assure you gentlemen that I have not regretted the change. If there is any pride in to-day's function I transfer it all to him with all my heart and I keep to myself the utmost humility in order that I may for ever hereafter deserve the great regard that you have shown to me gentlemen.

Sir Fazulbhoy, I wish to thank you and the Committee from the bottom of my heart for the extremely kind function that you arranged

for me to-day and to you gentlemen I tender my sincere thanks for having taken the trouble of coming here to make this gathering such a success.

After partaking of refreshments the gathering dispersed.

APPENDIX 93.

REPRESENTATION OF THE CHAMBER IN PARIS.

Dated 16th March 1922.

From the Association Sociale et Commerciale Hindoue, Paris to Chamber.

On behalf of "L' Association Sociale et Commerciale Hindoue", I beg to draw your attention to the interview which the Member of the managing Committee of my Association had the pleasure to have with you as regards the affiliation of the Association with the Indian Chamber of Commerce and Bureau.

I therefore request you to place the matter before the managing Committee of your Chamber for approval. In order that the Indian Commercial interests may be better represented here in Europe, the co-operation of your Chamber with my Association will be of great service to Indian Commercial community.

The Member of Managing Committee of my Association had the pleasure of meeting Sir Fazalbhoy Karimbhoy and Messrs S. R. Bomanji and Narottamdas Morarji Gokuldas, who were unanimous in their advice to approach you and to find out the basis of mutual co-operation.

As desired I beg to forward you some copies of the rules and regulations of my association under separate cover.

No. T 385, of 4th May 1922.

From Chamber to the Association Sociale et Commerciale Hindoue.

I have thankfully to acknowledge the receipt of your letter dated 16th March 1922 regarding the affiliation of your Association wit this Chamber. In this connection I am directed by my Committee to say that they appreciate very much your offer for your cordial co-operation with this Chamber. As the consideration of Mr. J K. Mehta's comprehensive Report of his Continental tour is to be submitted to the General-Body of this Chamber for their consideration and as such a step is likely to take some time my Committee have thought it fit to bring your proposal before the General Body for their consideration when the Report of Mr. Metha will be considered. In the mean time I am directed by my Committee to thank you for your kind letter.

T 395, of 24th April 1923.

From Chamber to the Association Sociale et Commerciale Hindoue, Paris.

I have to draw your attention to the correspondence ending with my letter of the 4th May 1922 No. 385. My Committee have now decided to have representatives in principal places ouside India as financial circumstances permit. As a beginning they are glad to take advantage of the kind offer made by you in your letter of the 16th March 1922 and to appoint your Association as the representative of this Chamber in Paris. The functions of your Association as the representative of this Chamber will be to keep my Committee in touch with the development in trade and industry in France by means of occasional reports (monthly Reports will do for the present), to supply information relating to commercial legislation and Tariffs, to answer enquiries from members of the Chamber relating to trade and industries, in short generally to discharge on a smaller scale duties of Consular Offices.

My Committee will be much obliged of you will kindly write a letter confirming this, in order that a circular may be sent to our Members informing them of your appointment as our representative.

I may mention that all out-of-pocket expenses like postage, telegrams etc. will be paid to you.

Dated 7th June 1923.

From the Association Sociale et Commerciale Hindoue, Paris to Chamber.

I have great pleasure in acknowledging the receipt of your letter No. 395 dated 24th April 1923; and am glad to learn that your Committee have decided to have representatives in principal places outside India; and are ready to appoint my Association as representatives of your Chamber in Paris according to the offer made to you by my letter dated 16th March 1922.

I put your letter before my Committee last week, and am glad to inform you that they accept your representation with thanks and request you to send circulars to the members of your Chamber to that effect.

My committee note functions that the Association have to perform as your representatives and they will try to satisfy you within the limit of their finances.

My committee accept, at present, your offer to pay us expenses like postage, telegrams, etc; but shall discuss this question later on after watching the course of our mutual relations for one year nd after seeing what services the association will be able to render.

I shall like to inform you that Mr. D. S. Cooper, a member of my committee will be starting for India, by the end of this month and will be glad to pay you a visit and talk further in this matter.

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